NASPERS LIMITED

Condensed consolidated interim financial statements for the six months ended 30 September 2019

Commentary

The past six months have been transformational for the Naspers group. We completed several significant strategic initiatives to transition Naspers to a 100% consumer internet company.

Notably, on 11 September 2019, we listed our international internet assets on Euronext Amsterdam as Prosus N.V. (Prosus), comprising our international internet interests outside of South Africa, including operations and investments in online classifieds, food delivery, payments and fintech, etail, travel, education, and social and internet platforms. Prosus also has a secondary, inward listing on the JSE Limited (JSE) in South Africa. Prosus is 73.84% owned by Naspers with a free float of 26.16%. As Europe's largest listed consumer internet company by asset value, Prosus gives global internet investors direct access to our portfolio of international internet assets through exposure to China, India and other high-growth markets, as well as to the global tech sector. At the end of the review period, the listing has already unlocked around US$10bn of value for shareholders by reducing the discount to the combined net asset value of Prosus and Naspers.

Another significant moment was successfully listing our Video Entertainment business (MultiChoice Group) on the JSE in February 2019. This also unlocked over US$4bn of value for our shareholders and created another listed South African champion on the JSE. Accordingly, all income statement information from continuing operations excludes the contribution from MultiChoice Group which was reported as a discontinued operation in the previous financial year.

Tencent delivered a good financial performance. A strong performance in areas such as payments and cloud bodes well for continued growth over the long term. Tencent's expanding ecosystem continues to drive very strong user engagement which is significantly ahead of local and international peers. This positions Tencent well to continue to offer a number of new products and services for its users. In ecommerce all key segments made good progress against financial and strategic objectives in the period, and we believe each segment will continue to benefit from sectoral growth trends. The Classifieds as well as Payments and Fintech segments have now reached profitability at their cores and continue to grow strongly while investing to drive future growth. Food Delivery was the most significant investment area in the period. We believe this industry fits well into our strategy, as it targets a significant consumer need that can be fundamentally transformed by technology. In addition, food delivery allows for strong local players, which suits our DNA. Encouragingly, investment in the period supported strong revenue and order growth. Food Delivery will remain the largest investment area for the group this year, underscoring our confidence in the strong underlying unit economics of this business.

As a result of these initiatives, the 2020 financial year reflects a streamlined group, with virtually all revenues now generated from online activities.

Given the wide geographical span of our operations and significant investments to scale the ecommerce business in particular, reported earnings are materially impacted by foreign exchange movements and the effects of acquisitions and disposals. Where relevant in this report, adjustments have been made for the effects of foreign currencies 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 other information in these condensed consolidated interim financial statements.

FINANCIAL REVIEW

Naspers delivered solid results for the six months ended 30 September 2019. Group revenue, measured on an economic-interest basis, was US$10.2bn, reflecting growth of 11% (or 20% in local currency, adjusted for acquisitions and disposals). Measured similarly, and including the stepped-up investment in Food Delivery, group trading profit grew 6% year on year (or 9% in local currency, adjusted for acquisitions and disposals) to US$1.9bn. Tencent grew revenues by a healthy 13% (18%) year on year. Driven by Classifieds, Etail (online retail), and Payments and Fintech, the ecommerce business posted a strong performance. Overall revenue growth in ecommerce, adjusted for acquisitions and disposals, grew a strong 27% in local currency led by a strong performance in the Food Delivery segment which grew orders 110% and revenues by 69% (69% in local currency, adjusted for acquisitions and disposals). On a nominal basis, revenue grew 5%. Tencent's profitability improved by 11% (16%) year on year. Trading losses in ecommerce rose to US$433m, reflecting our investment in Food Delivery to grow the markets in which we operate and sustain our leading positions. Excluding this increased investment, ecommerce trading losses reduced by a healthy 26% or US$54m.

Core headline earnings from continuing operations were US$1.7bn – up 8% (10%) on the back of improving profitability in Tencent and the more established ecommerce businesses. Trading profits in the Classifieds business reduced marginally year on year due to our investment in convenient transactions. However, in local currency, excluding acquisitions and disposals, trading profits increased on improved performance by letgo and higher trading profits from Avito. Year-on-year growth will continue to improve throughout the year, driven by strong revenue growth from growth in listings and margin improvement. Classifieds' revenue from convenient transactions grew nearly fivefold from the prior year. Our other ecommerce assets also continued to scale, with Etail's trading losses more than halving. In contrast, the Payments and Fintech business's trading loss margin increased from 12% last year to 19% in the current year. This was driven by continued improvement in profitability in the core payment services provider (PSP) business, offset by the investment in the payments platform technology. Outside the core PSP business, our Payments and Fintech businesses continue to invest to build a credit offering, primarily in India, which we believe has significant growth potential.

We invested US$377m to accelerate growth and scale in several existing and new businesses. Notably: through PayU, an investment of US$66m in Wibmo to expand our Indian footprint in payment security, mobile payment solutions and processing services; and US$45m in Red Dot Payments, providing payment solutions across Asia. In Classifieds, we increased our exposure to the fast-growing Southeast Asian market with a stake in Carousell, one of the world's largest and fastest-growing classifieds marketplaces. Ventures invested US$80m in Meesho Inc., a leading social commerce online marketplace in India, and another US$25m in our education associate Brainly.

We had a strong net cash position of US$5.9bn. This comprises US$9.1bn of cash and cash equivalents (including short-term cash investments) and primarily reflects proceeds retained from the Flipkart disposal and sale of Tencent shares in the 2018 financial year. We had US$3.2bn of interest-bearing debt, excluding capitalised leases. This resulted in net interest income of US$40m. Following the announcement of the Just Eat offer (detailed below), Prosus secured a bridge loan facility that will be used to finance the cash consideration payable under this offer. Naspers is fully committed to its investment-grade rating and confident it will have sufficient capacity at its current ratings level to assume this additional debt to finance the offer. Prosus plans to replace the bridge loan facility with long-term funding through new debt capital and using existing cash resources.

The progress of our core segments, which are growing fast and scaling well, gives us confidence in our ability to continue identifying opportunities to unlock significant value.

Consolidated free cash inflow was US$19m compared to the prior-year inflow of US$153m, from continuing operations (thus excluding Video Entertainment). This change reflects the increased investment in the Food-Delivery business as well as negative working-capital effects related primarily to merchant cash timing differences and transactions costs incurred in unbundling MultiChoice Group and listing Prosus. Dividend income received from Tencent increased US$45m to US$377m.

We adopted the new accounting standard IFRS 16 Leases in the current period on a prospective basis and, accordingly, comparative information has not been restated. Refer to note 2 for further details.

The company's external auditor has not reviewed or reported on forecasts included in these condensed consolidated interim financial statements.

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

Internet revenues were US$10.1bn, up 12% (20%). Internet trading profit rose 5% (8%), despite the increased investment in Food Delivery, as many ecommerce units improved their profitability and Tencent delivered a stable performance.

Ecommerce

Overall, ecommerce revenue increased 5% (27%) to US$2.1bn with meaningful contributions from Classifieds, Payments and Fintech, Food Delivery and Etail.

Trading losses rose to US$433m after the increased investment to capture the online food-delivery opportunity and additional investments in Payments and Fintech to expand its footprint and build its credit offering. Profitability in Classifieds reduced year on year due to the investment in convenience transactions, although in local currency, excluding acquisitions and disposals, trading profits in Classifieds increased by 2%. Etail reported narrowing trading losses. Growth in PayU India and Central and Eastern Europe (CEE) PSP businesses increased the trading loss margin from 12% last year to 19% this year. Trading losses in Food Delivery increased from US$41m to US$283m in the review period. Excluding the increased investment in Food Delivery, ecommerce trading losses reduced by a very healthy 26% or US$54m.

Revenues from our profitable ecommerce businesses totalled US$1 010m, with trading profits of US$217m. Compared to US$949m and US$199m last year, this reflects growth, in local currency, of 17% and 15% respectively.

Classifieds

Classifieds continued to deliver strong performance, with revenue growth of 47% (38%) to US$596m. Key markets (Russia, Europe (especially Poland) and Brazil) all contributed to the acceleration, driven by ongoing growth across the key verticals of cars and real estate, with a growing contribution from our convenient transactions initiative, primarily in the cars vertical. Reaching a significant milestone of overall profitability in the prior financial year, the segment continues to build on that platform with trading profits of US$42m in the first half of the year.

The segment continues to deepen its value proposition for customers, with convenient transactions in cars being extended to India and Poland and operated through joint ventures with Frontier Car Group. Aasaanjobs, which extends online recruitment for blue- and grey-collar workers in India, continues to grow steadily. Kiwijobs, operating in a similar space, was acquired in Poland. Convenient transactions, with revenues of US$146m (US$25m in the prior year), accounted for 24% of the segment's revenue for the review period.

An important initiative for the OLX Group in the current year is rolling out its global technology backbone, Panamera, to key markets. Panamera is a platform that leverages scale in engineering talent in tech hubs around the world and is designed to boost efficiency and provide a more dynamic platform for incremental value to our customers. Artificial intelligence/machine learning (AI/ML) models are being deployed across the platform, as pushing technology frontiers becomes increasingly essential to enhancing customer experience and long-term success. Most notably, while the central technology is deployed at a global level, and benefits from associated efficiencies, product innovation remains at a local level enabling customisation for individual markets. Avito increased revenue by 21% in local currency, reporting revenue of US$193m in the review period. These results reflect the business's continued product innovation, new product launches, effective marketing campaigns and ongoing focus on significantly improving sales efficiency. These initiatives have enabled Avito to retain and attract customers and progressively improve monetisation. The Polish business again recorded strong year-on-year revenue growth of 20% to US$95m, with car and job verticals being the leading platforms in the country.

In India, the business has grown daily average users almost 30% this year through a sustained focus on improving product engagement, tailoring this to the wants, needs and habits of the Indian consumer. In February 2019, the business benefited from successful migration to the Panamera platform. Additionally, convenient transaction businesses in jobs (Aasaanjobs) and cars (Cashmycar) have expanded the product ecosystem in an extremely fast-growing Indian internet user population.

In the US and Turkey, letgo transitioned from growing customers through a marketing-led strategy, to one focused on product performance and customer experience. This has positioned the business to meet longer-term growth goals. The letgo value proposition for customers is expanding through improved product performance and enhanced convenience in payment and shipping solutions. This positions the business to achieve longer-term growth goals, despite a very competitive landscape.

In the first six months of the year, Classifieds expanded its exposure to the fast-growing Southeast Asian classifieds market by acquiring a 12% effective interest in Carousell. As part of the transaction, the OLX classifieds business in the Philippines was merged into the Carousell business.

As the business continues to enhance customer experience, Indonesia was migrated to the Panamera platform in August.

Payments and Fintech

PayU achieved revenue growth of 16% (20%) in the review period. It grew payment volumes processed by 24% (30%) to US$18bn, driven by a 35% increase in transactions processed.

India remains the growth engine, with a 34% (35%) year-on-year increase in payment volumes. It accounted for 53% of total payment volumes processed in the review period. The shift to cashless payments, together with our continued focus on innovative solutions, has enabled the business to continue strengthening its merchant portfolio. Our acquisition of Wibmo uniquely positions us to enhance our payment ecosystems by partnering with leading banks for payment security and mobile payments, while improving success rates on transactions, both product attributes in clear demand from our merchant partners.

To scale the business further, strengthen its position outside India and increase our footprint in growth markets, we have undertaken both consolidation and geographical expansion initiatives. We acquired Red Dot Payments, Singapore's largest home-grown and trusted online payment solutions company that offers innovative, secure and customised payment solutions for all enterprise sizes across Asia and beyond. Additionally, by acquiring Iyzico, we have scaled our business in Turkey, a market with solid long-term potential for digital commerce. Building our presence in these high-growth markets creates a compelling product offering for large multinational merchants that can now transact in those markets through single application programme interface (API) access to the PayU hub.

In the 2019 financial year, the core PSP offering of our Payments and Fintech businesses achieved profitability. As we continue to scale that part of the business through the initiatives described above, we continued investing in, as well as integrating acquisitions into, our portfolio businesses, which had a short-term impact on profitability.

India is a key growth market for PayU, where the digital payments segment is expected to grow 10 to 12 times to US$1.5tr to US$1.8tr by the 2027 financial year. This makes India one of the fastest-growing digital payment markets in the world. PayU is taking advantage by leveraging its strong PSP platform through the smart use of data. We are creating new propositions and identifying additional opportunities to expand more deeply into the broader fintech ecosystem. By leveraging our common data and distribution core, we have already created a fully digital financial services provider to cater to this huge market opportunity. Credit is now a fully fledged business, with over two million consumer loans granted every month. Our goal is to scale the business and establish PayU as a leader in the consumer and small/medium-sized business credit space in India. India is an underserved credit market, with only 20% of the population estimated to be under credit bureau coverage. The digital lending volume in the market for the 2018 financial year was US$75bn, which is expected to grow fivefold to US$350bn by the 2023 financial year. This presents a significant opportunity which we believe PayU is strongly positioned to capture with access to data through our payment platforms, our technology leadership and partnerships with financial institutions.

Food Delivery

The food-delivery industry continued to grow rapidly in the review period. We strongly believe in the potential of these markets, as we expect consumers to increase their spend on online food delivery, moving away from ordering directly by phone, in-home preparation and in-restaurant consumption. The food-delivery industry has evolved beyond simply connecting restaurants and customers and we believe the opportunity here is to disrupt and transform all aspects of the supply chain, from how food is sourced, prepared and ultimately consumed. This disruption is likely to have major societal impacts in nutrition, food wastage and employment. We believe the addressable market will continue to grow strongly, as technology and innovation drive further disruption by increasing convenience and reducing cost. Accordingly, we believe that investing in this space aligns with our overall strategy.

In October 2019, Prosus made an offer to acquire the entire share capital of Just Eat, supporting our investment in this segment and reflecting the significant opportunities we believe are available in food delivery. The offer is an important step in achieving Prosus's ambition to build the world's leading food-delivery business and a logical step for the long-standing, successful iFood investment partnership between Prosus and Just Eat in Latin America. With Prosus's support, Just Eat customers will ultimately benefit from greater choice and improved service delivery, driven by the combined group's global perspectives on product and technological innovation across the sector.

The Food Delivery segment continued to grow rapidly in the period, with cumulative annualised gross merchandise value (GMV) growth of 81% year on year. Segment revenue grew 69% (69%), with strong contributions from the combined portfolio businesses. Trading losses increased to US$283m, reflecting continued investments in growth by the respective businesses.

In Latin America, iFood posted solid revenue growth of 74% (78%) to US$132m, on the back of continued expansion of its product offering and logistics businesses. iFood remains the clear leader in Brazil, and despite significant investment in the market from competitors, holds competitive positions in Mexico and Colombia. iFood processed over 21.3 million orders in September 2019 in Brazil, compared to 9.8 million in the same month last year, with a network of over 116 000 active restaurants.

In the review period, iFood continued to build its own delivery business, now accounting for over 20% of total orders, making the company the leading first-party (1P) and third-party (3P) platform in Brazil.

In India, Swiggy's revenue growth in local currency more than doubled to US$124m, driven by its rapid expansion into new cities. It now operates across 500 cities and expanded its restaurant partners from 40 000 a year ago to over 130 000 currently. The company remains the clear market leader in India, with 1.5 times more market share than its closest competitor, based on mobile app (Android) daily average users.

For the six months ended 30 June 2019, Delivery Hero reported strong segmental revenue growth of 99% to €582m and order volume growth of 61% to 269 million. GMV grew 60% year on year, in constant currency, to €3 192m, primarily due to faster delivery times as well as customer acquisitions and increased order frequency, on the back of investing in product improvements and sustainable affordability measures, especially in early-stage markets. More information on Delivery Hero's results is available at https://ir.deliveryhero.com.

We believe Naspers has the broadest global perspective of the food industry, achieved through our close involvement with iFood in Brazil, Swiggy in India, Delivery Hero's 41 worldwide markets, and indirectly through Meitaun in China and Delivery Club in Russia. We believe this perspective is unlikely to be replicated.

Etail

Etail revenue, measured in local currency and adjusted for the disposal of Flipkart in August 2018, grew 16% year on year. On the same basis, trading losses reduced 31% as the business continued to scale and gain efficiency, supported by increased gross profit margins and improved cost control. Our Etail portfolio continued to focus on profitable growth in the review period.

Our leading business-to-consumer (B2C) platform in Central and Eastern Europe (CEE), eMAG, delivered a solid performance in the review period, mainly driven by its core market of Romania where GMV was up 15% in local currency. Performance was particularly pleasing across the 3P marketplace, which grew 30% in local currency. In Hungary, eMAG's second-largest market, GMV growth of 28%, in local currency was recorded. Both the retail and marketplace businesses contributed meaningfully to eMAG's overall results. In March 2019, eMAG Hungary and Extreme Digital, the two leading Hungarian online marketers, announced their merger, which will create one of the leading ecommerce companies in CEE able to compete with the biggest online retailers. The transaction was finalised in October 2019.

In South Africa, Takealot solidified its position as the country's leading B2C platform, growing GMV 51% and revenue by 25% in local currency. Similarly, its profitability improved 25% in local currency. One of the main drivers in this performance was marketplace, with 88% growth in GMV. Takealot's food-delivery service, Mr D Food, recorded GMV growth of over 103%. Its online fashion brand, Superbalist, reported good results for the period, with revenue growth of 28% year on year.

Travel
In April 2019, we announced the exchange of our 43% interest in MakeMyTrip, our equity-accounted online travel investment in India, for a 5.6% interest in Ctrip. The transaction closed at the end of August 2019, resulting in a gain of US$599m. Our share of MakeMyTrip's reported revenues for the review period was US$146m, up 4% (measured in local currency, adjusted for acquisitions and disposals). We include eight months of results for MakeMyTrip in our segmental results for the review period, representing our share of its earnings for the period up to disposal and a catch-up of the lag period applied in reporting its results. On a similar basis, trading losses in the Travel segment (measured in local currency, adjusted for acquisitions and disposals) increased 17% year on year. After the Ctrip transaction, our Travel segment will cease to exist and will not be reported on after this financial year. More information on MakeMyTrip's results is available at http://investors.makemytrip.com.

Tencent
Tencent grew group revenue 18% year on year to RMB174.3bn for its six months to 30 June 2019. 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 17% to RMB44.5bn.

Revenues from Fintech and business services increased by 40% to RMB44.7bn, reflecting continued strong growth in commercial payments and cloud services. Revenues from the online advertising business increased by 20% to RMB29.8bn, driven by higher advertising revenues from Weixin Moments, Mini Programs and QQ KanDian. This growth was amid a challenging macroeconomic environment and increased supply of short-video advertising inventories across the industry. Revenues from value-added services (VAS) increased 9% to RMB97.1bn, mainly driven by digital-content revenue growth from live broadcast and online video subscription services as well as online games revenue growth from smartphone games.

Gross margin was 45.3%, down 3.3% on higher content and distribution costs, Fintech services costs, and ongoing evolution of the business mix.

Tencent sustained solid user growth and executed key initiatives in a challenging macroeconomic and business environment. Combined monthly active users of Weixin and WeChat grew 7.1% year on year to 1.13 billion, benefiting from wide adoption of Weixin Mini Programs and Weixin Pay. Fee-based VAS-registered subscriptions grew 9.7% to 169 million. The Weixin Mini Programs ecosystem has become more vibrant, attracting new developers and service providers. The number of medium-to-long-tail Weixin Mini Programs has more than doubled year on year, while functions have become more diversified.

Tencent has accelerated its innovation in games, releasing successful new titles in different genres, introducing new play modes and extending its popular season passes. It continued to strengthen the healthy gameplay system, which promotes balanced gameplay for young users. Honour of Kings continued to generate industry-leading revenues, while Peacekeeper Elite, launched in May 2019, has become one of the best-performing games in China, with over 50 million daily active users. PUBG Mobile is performing well in international markets, with over 50 million daily active users.

In Fintech, Tencent has widened merchant adoption of its mobile payment services, supporting rapid growth in average transaction and total payment volumes. Its wealth management platform, LiCaiTong, grew aggregated customer assets to over RMB800bn, indicating that Tencent's users are increasingly keeping their money within the Tencent ecosystem. More information on Tencent's results is available at www.tencent.com/en-us/ir.

Mail.ru
Mail.ru grew total group revenue 22% year on year to RUB37.2bn for its six months to 30 June 2019. Non-GAAP EBITDA (Mail.ru's measure of normalised performance) grew 6% to RUB12.7bn.

Advertising revenue was up 18% to RUB16.3bn, driven by continued user and engagement growth as well as the Russian market's ongoing structural shift from traditional to online advertising. Online game revenue increased 38% to RUB10.4bn, driven by good performance in established and new titles. In recent years, Mail.ru has successfully internationalised its online game offering, with 69% of its Q2 2019 online games revenue derived from markets outside Russia.

Engagement in Mail.ru's platforms continued to rise in an increasingly competitive environment. Vkontakte delivered more than 10 billion messages daily in Q2 2019, up 53% year on year. Subscribers of the integrated BOOM music app grew to 2.5 million in July, from 2.1 million in March 2019.

Mail.ru is leveraging its leadership in the social and communications segment to build social ecommerce and online-to-offline (O2O) verticals that complement its user experience. The transformational AliExpress Russia joint venture between Mail.ru, Alibaba, MegaFon and Russian Direct Investment Fund, which integrates Mail.ru's cross-border ecommerce platform Pandao with Alibaba's AliExpress and Tmall services in Russia, received Russian regulatory approval in June 2019. In July 2019, Mail.ru announced a plan to form an O2O services platform with Sberbank, targeting Russia's fast-growing ride-hailing and food-delivery markets. Mail.ru will contribute its food-delivery business Delivery Club and 23% stake in Citymobil, Russia's second-largest taxi app, to the new entity.

As a long-term investor in Russian digital businesses (with significant investments in Russian tech champions), we are monitoring the draft legislation in Russia concerning possible limits on foreign ownership of businesses that are defined as significant information resources. If the bill were to become law in its current form, some of our businesses in Russia could be affected, but it is still relatively early in the legislative process and we understand that changes to the draft are likely.

In its results for the nine months ended 30 September 2019, Mail.ru announced it had changed its estimates on the lifespan of in-game virtual items purchased by game players. As a result of Mail.ru refining its estimate of the period of satisfaction (based on its data on patterns of how such items are consumed by paying players), it has adjusted its revenue recognition in this regard prospectively. The impact of this change was an increase in revenue of RUB13.0bn. Accordingly, we have recognised US$56m, being our share of this adjustment, in these results. More information on Mail.ru's results is available at https://corp.mail.ru/en/investors/.

PROSPECTS
Over the remainder of the financial year, we will maintain our focus on driving profitability in more established areas such as the larger classified markets and the PSP business in the Payment and Fintech investment while investing in Food Delivery, as well as the convenient transaction model in Classifieds and credit in Payments which will drive long-term revenue and earnings growth. Our strong balance sheet provides a basis for driving growth across the portfolio and unlocking new opportunities that fit our criteria.

DIRECTORATE

Manisha Girotra was appointed an independent non-executive director of Naspers from 1 October 2019, after listing Naspers's subsidiary Prosus on Euronext Amsterdam on 11 September 2019. Manisha will also serve on the board of Prosus and as a member of the Naspers and Prosus audit committees.

PREPARATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
The preparation of the condensed consolidated interim financial statements was supervised by the group's financial director, Basil Sgourdos CA(SA). These results were made public on 22 November 2019.

On behalf of the board

Koos Bekker	**Bob van Dijk**
Chair	Chief executive

Cape Town
22 November 2019

Condensed consolidated income statement

	Notes	Six months ended 30 September 2019 Reviewed US$'m	2018 Reviewed US$'m	Year ended 31 March 2019 Audited US$'m
Continuing operations				
Revenue from contracts with customers	7	**1 730**	1 512	3 291
Cost of providing services and sale of goods		**(1 105)**	(917)	(2 104)
Selling, general and administration expenses		**(913)**	(799)	(1 716)
Other gains/(losses) – net	9	**6**	(32)	(38)
Operating loss		**(282)**	(236)	(567)
Interest income	8	**137**	134	284
Interest expense	8	**(106)**	(103)	(205)
Other finance income/(costs) – net	8	**11**	246	130
Share of equity-accounted results		**2 272**	2 102	3 410
Impairment of equity-accounted investments		**(10)**	(82)	(88)
Dilution losses on equity-accounted investments		**(65)**	(62)	(182)
Net gain on acquisitions and disposals	9	**500**	1 602	1 609
Profit before taxation	9	**2 457**	3 601	4 391
Taxation		**(183)**	(210)	(229)
Profit from continuing operations		**2 274**	3 391	4 162
Profit from discontinued operations	5	**–**	63	2 759
Profit for the period		**2 274**	3 454	6 921
Attributable to:				
Equity holders of the group		**2 266**	3 422	6 901
Non-controlling interests		**8**	32	20
		2 274	3 454	6 921
Per share information related to continuing operations[(1)]				
Earnings per ordinary share (US cents)		**518**	774	963
Diluted earnings per ordinary share (US cents)		**509**	765	949
Headline earnings for the period (US$'m)	6	**1 425**	2 732	3 719
Headline earnings per ordinary share (US cents)		**326**	624	850
Diluted headline earnings per ordinary share (US cents)		**318**	616	835
Core headline earnings for the period (US$'m)	6	**1 664**	1 546	3 000
Core headline earnings per ordinary share (US cents)		**380**	353	685
Diluted core headline earnings per ordinary share (US cents)		**372**	346	672
Net number of ordinary shares issued ('000)				
– weighted average for the period		**437 746**	437 670	437 746
– diluted weighted average		**439 873**	439 066	439 604

(1) *Weighted average number of shares for the periods ended 30 September 2019 and 2018 as well as 31 March 2019, have been adjusted to include those shares issued for no consideration from the start of the earliest period presented, ie 1 April 2018, to permit comparability in accordance with IAS 33* Earnings Per Share. *Per share data has accordingly been recalculated for all periods presented. Refer to note 1 for additional information.*

Condensed consolidated statement of comprehensive income

	Six months ended 30 September		Year ended 31 March
	2019 Reviewed US$'m	2018 Reviewed US$'m	2019 Audited US$'m
Profit for the period	**2 274**	3 454	6 921
Total other comprehensive loss, net of tax, for the period[(1)]	**(974)**	(1 865)	(455)
Translation of foreign operations	**(1 067)**	(2 116)	(1 529)
Net fair-value (losses)/gains	**(72)**	1	11
Cash flow hedges	**–**	149	169
Share of other comprehensive income and reserves of equity-accounted investments	**165**	143	918
Tax on other comprehensive income	**–**	(42)	(24)
Total comprehensive income for the period	**1 300**	1 589	6 466
Attributable to:			
Equity holders of the group	**1 277**	1 604	6 452
Non-controlling interests	**23**	(15)	14
	1 300	1 589	6 466

[(1)] *These components of other comprehensive income may subsequently be reclassified to profit or loss except for net fair value losses of US$72.1m (gains 2018: US$1.0m and 31 March 2019: US$10.7m) and gains of US$140.3m (2018: US$115.1m and 31 March 2019: US$752.4m) included in the share of equity-accounted investments' direct reserve movement.*

Condensed consolidated statement of financial position

	Notes	As at 30 September **2019** **Reviewed** **US$'m**	 2018 Reviewed US$'m	As at 31 March 2019 Audited US$'m
Assets				
Non-current assets		**25 021**	19 843	23 133
Property, plant and equipment		**438**	173	191
Goodwill	10	**2 206**	2 115	2 120
Other intangible assets		**865**	894	877
Investments in associates		**20 437**	16 439	19 746
Investments in joint ventures		**87**	85	96
Other investments and loans		**961**	64	74
Other receivables		**5**	17	7
Derivative financial instruments		**4**	27	1
Deferred taxation		**18**	29	21
Current assets		**10 176**	15 921	10 552
Inventory		**205**	201	209
Programme and film rights		**–**	18	–
Trade receivables		**182**	187	172
Other receivables and loans		**644**	561	518
Derivative financial instruments		**4**	14	4
Short-term investments		**6 510**	8 591	7 298
Cash and cash equivalents		**2 610**	3 388	2 284
		10 155	12 960	10 485
Assets classified as held for sale	12	**21**	2 961	67
Total assets		**35 197**	35 764	33 685
Equity and liabilities				
Capital and reserves attributable to the group's equity holders		**21 618**	26 816	27 999
Share capital and premium		**4 889**	4 908	4 945
Other reserves		**(9 277)**	(2 392)	(739)
Retained earnings		**26 006**	24 300	23 793
Non-controlling interests		**7 717**	117	132
Total equity		**29 335**	26 933	28 131
Non-current liabilities		**3 224**	4 014	3 973
Capitalised lease liabilities		**198**	5	5
Liabilities – interest-bearing		**2 239**	3 235	3 237
– non-interest-bearing		**2**	3	3
Other non-current liabilities		**569**	462	544
Post-employment medical liability		**21**	24	21
Derivative financial instruments		**–**	79	33
Deferred taxation		**195**	206	130
Current liabilities		**2 638**	4 817	1 581
Current portion of long-term debt		**1 068**	31	23
Trade payables		**279**	248	287
Accrued expenses and other current liabilities		**1 269**	2 164	1 258
Derivative financial instruments		**2**	22	3
Bank overdrafts		**8**	1	8
		2 626	2 466	1 579
Liabilities classified as held for sale	12	**12**	2 351	2
Total equity and liabilities		**35 197**	35 764	33 685

Condensed consolidated statement of changes in equity

	Share capital and premium[1]	Foreign currency translation reserve	Hedging reserve	Valuation reserve	Existing control business combination reserve	Share-based compen-sation reserve	Retained earnings	Share-holders' funds	Non-controlling interests	Total
	US$'m	US$'m	US$'m	US$'m	US$'m	US$'m	US$'m	US$'m	US$'m	US$'m
Balance at 1 April 2018	4 965	(761)	(106)	1 679	(1 847)	1 460	20 133	25 523	169	25 692
Changes in accounting policy	–	–		(836)	–	–	836	–	–	–
Total comprehensive income for the period	–	(2 024)	81	(58)	–	183	3 422	1 604	(15)	1 589
Profit for the period	–	–		–	–	–	3 422	3 422	32	3 454
Total other comprehensive loss for the period	–	(2 024)	81	(58)	–	183	–	(1 818)	(47)	(1 865)
Treasury share movements	(57)	–		–	–	–	–	(57)	–	(57)
Share-based compensation movement	–	–		–	–	30	–	30	2	32
Transactions with non-controlling shareholders	–	–		–	37	–	(125)	(88)	75	(13)
Foreign exchange movements on equity reserves	–	–		–	–	–	–	–	–	–
Direct retained earnings and other movements[2]	–	–		(150)	–	(80)	230	–	–	–
Dividends							(196)	(196)	(114)	(310)
Balance at 30 September 2018	4 908	(2 785)	(25)	635	(1 810)	1 593	24 300	26 816	117	26 933
Balance at 1 April 2019	**4 945**	**(2 070)**	**–**	**760**	**(1 127)**	**1 698**	**23 793**	**27 999**	**132**	**28 131**
Total comprehensive profit for the period	**–**	**(1 054)**	**–**	**(127)**	**–**	**192**	**2 266**	**1 277**	**23**	**1 300**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**–**	**2 266**	**2 266**	**8**	**2 274**
Total other comprehensive income for the period	**–**	**(1 054)**	**–**	**(127)**	**–**	**192**	**–**	**(989)**	**15**	**(974)**
Treasury share movements	**(56)**	**–**	**–**	**–**	**–**	**–**	**–**	**(56)**	**–**	**(56)**
Share-based compensation movements	**–**	**–**	**–**	**–**	**–**	**20**	**–**	**20**	**(10)**	**10**
Transactions with non-controlling shareholders[3]	**–**	**10**	**–**	**36**	**(7 424)**	**6**	**(32)**	**(7 404)**	**7 573**	**169**
Foreign exchange movements on equity reserves	**–**	**–**	**–**	**–**	**–**	**–**	**1**	**1**	**–**	**1**
Direct retained earnings and other movements[2]	**–**	**13**	**–**	**(11)**	**(7)**	**(192)**	**197**	**–**	**–**	**–**
Dividends in specie	**–**	**–**	**–**	**–**	**–**	**–**	**(15)**	**(15)**	**–**	**(15)**
Dividends	**–**	**–**	**–**	**–**	**–**	**–**	**(204)**	**(204)**	**(1)**	**(205)**
Balance at 30 September 2019	**4 889**	**(3 101)**	**–**	**658**	**(8 558)**	**1 724**	**26 006**	**21 618**	**7 717**	**29 335**

(1) Refer to note 1 for information in respect of additional shares issued during the current reporting period.
(2) Relates to the realisation of the fair value reserve recognised through other comprehensive income US$10.6m (2018: US$150.0m), the recycling of share-based compensation reserve of US$191.9m (2018: US$80.1m) vesting of share options, existing business combination reserve of US$7.1m (2018: US$nil) and foreign currency translation reserve of U$12.9m (2018: US$nil).
(3) Pursuant to the listing of the group's subsidiary, Prosus N.V., on 11 September 2019, the group has recognised a non-controlling interest of 26.16% in respect of Prosus N.V. Refer to note 14.

Condensed consolidated statement of cash flows

	Notes	Six months ended 30 September 2019 Reviewed US$'m	Six months ended 30 September 2018 Reviewed US$'m	Year ended 31 March 2019 Audited US$'m
Cash flows from operating activities				
Cash (utilised)/generated in operating activities		**(237)**	233	322
Interest income received		**159**	102	244
Dividends received from investments and equity-accounted investments		**380**	335	344
Interest costs paid		**(99)**	(135)	(252)
Taxation paid		**(46)**	(165)	(248)
Net cash generated from operating activities		**157**	370	410
Cash flows from investing activities				
Acquisitions and disposals of tangible and intangible assets		**(56)**	(77)	(152)
Acquisitions of subsidiaries, associates and joint ventures	13	**(300)**	(309)	(1 402)
Disposals of subsidiaries, businesses, associates and joint ventures	13	**6**	1 930	1 460
Acquisition of short-term investments(1)		**(80)**	(8 591)	(8 591)
Maturity of short-term investments(1)		**824**	–	1 361
Cash movement in other investments and loans		**28**	(32)	(2)
Net cash generated from/(utilised in) investing activities		**422**	(7 079)	(7 326)
Cash flows from financing activities				
Proceeds from long- and short-term loans raised		**15**	46	62
Repayments of long- and short-term loans		**(10)**	(19)	(51)
Purchase of equity to settle share-based compensation arrangements		**(55)**	(127)	(119)
Additional investment in existing subsidiaries		**(56)**	(424)	(1 610)
Dividends paid by the holding company and its subsidiaries		**(206)**	(313)	(317)
Repayments of capitalised lease liabilities		**(15)**	(30)	(59)
Additional investment from non-controlling shareholders		**104**	28	70
Other movements resulting from financing activities		**–**	(16)	(19)
Net cash utilised in financing activities		**(223)**	(855)	(2 043)
Net movement in cash and cash equivalents		**356**	(7 564)	(8 959)
Foreign exchange translation adjustments on cash and cash equivalents		**(25)**	(123)	(132)
Cash and cash equivalents at the beginning of the period		**2 276**	11 368	11 368
Cash and cash equivalents classified as held for sale		**(5)**	(294)	(1)
Cash and cash equivalents at the end of the period		**2 602**	3 387	2 276

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

Notes to the condensed consolidated interim financial statements

1. GENERAL INFORMATION

Naspers Limited (Naspers or the group) is a global consumer internet group and one of the largest technology investors in the world. Operating and investing in countries and markets across the world with long-term growth potential, Naspers builds leading companies that empower people and enrich communities. The group operates and partners with a number of leading internet businesses across the Americas, Africa, Central and Eastern Europe, and Asia in sectors including online classifieds, food delivery, payments and fintech, travel, education, health, and social and internet platforms.

On 11 September 2019 Naspers listed its international ecommerce and internet assets on Euronext Amsterdam. This listing has created a new global consumer internet group Prosus N.V. (formerly Myriad International Holdings N.V.), comprising Naspers's internet interests outside South Africa and includes investments in online classifieds, food delivery, payments and fintech, etail, travel, education and social and internet platforms, among others. Prosus N.V. has a secondary inward listing on the Johannesburg Stock Exchange (JSE) in South Africa. Pursuant to this transaction, the group issued 6 011 074 N ordinary shares to those shareholders who elected not to receive Prosus N.V. shares upon listing. In total, 56 065 A ordinary shares were also issued to existing A ordinary shareholders. These shares were issued for no consideration. Refer to note 14 for details of the listing of Prosus N.V.

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The condensed consolidated interim financial statements for the six months ended 30 September 2019 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 in the new accounting pronouncements below.

The group's reportable segments reflect the components of the group that are regularly reviewed by the chief executive 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.

New accounting pronouncements

The group has adopted all new and amended accounting pronouncements that are relevant to its operations and that are effective for financial years commencing 1 April 2019. The impact of adopting new accounting pronouncements is outlined below and includes, significantly, the first-time application of IFRS 16 Leases (IFRS 16) with effect from 1 April 2019. A number of other pronouncements were also effective from 1 April 2019, but did not have a significant effect on the group's condensed consolidated interim financial statements.

IFRS 16 *Leases*

IFRS 16 replaces IAS 17 *Leases* (IAS 17) and IFRIC 4 *Determining Whether an Arrangement Contains a Lease* (IFRIC 4) and outlines the principles for the recognition, measurement, presentation and disclosure of leases. In terms of IFRS 16, the group now recognises all leases (with limited exceptions) as right-of-use assets and obligations to make lease payments (lease obligations) in the statement of financial position whereas previously lease payments relating to arrangements classified as operating leases in terms of IAS 17 were expensed on a straight-line basis in the income statement.

In accordance with IFRS 16, lease payments are allocated between lease obligations and finance costs. The corresponding lease obligations, net of finance costs, are included in long-term liabilities or current portion of long-term debt. The interest element of lease payments is charged to the income statement over the relevant lease term. Right-of-use assets are depreciated over the shorter of the relevant right-of-use asset's estimated useful life and the lease term, on a straight-line basis.

The group has applied IFRS 16 on a prospective basis with effect from 1 April 2019 and has therefore not restated the comparative information contained in these condensed consolidated interim financial statements. On transition to IFRS 16, lease liabilities were measured at the present value of remaining lease payments discounted at the incremental borrowing rate as at 1 April 2019. The right-of-use assets recognised on 1 April 2019 were measured at an amount equal to the lease liability adjusted by any prepaid or accrued lease payments and onerous contracts. There was no adjustment to the group's opening balance to retained earnings on 1 April 2019.

The group has applied the following practical expedients:

- The group did not reassess whether contracts contained leases and, accordingly, the previous classifications applied to these contracts in terms of IAS 17 and IFRIC 4 were retained (ie the accounting for contracts not previously identified as leases was sustained).
- Operating leases of which the underlying assets were of low value were not recognised as right-of-use assets and obligations to make lease payments in the statement of financial position – the existing accounting for these leases was sustained (ie lease payments continue to be expensed on a straight-line basis for these leases).
- Where appropriate, the group applied a single incremental borrowing rate to a portfolio of leases with reasonably similar characteristics.
- The group relied on its existing onerous lease contract assessments as an alternative to performing impairment reviews on right-of-use assets as at 1 April 2019 and recognised all existing provisions for onerous leases as adjustments to the relevant right-of-use assets as at 1 April 2019.
- Operating leases under which the lease terms end within 12 months (short-term leases) of 1 April 2019 are accounted for in terms of IAS 17 until the end of their lease terms (ie lease payments continue to be expensed on a straight-line basis for these leases).

- The group excluded any initial direct costs from the measurement of right-of-use assets as at 1 April 2019.
- The carrying amounts of leased assets and lease obligations relating to leases that were classified as finance leases in terms of IAS 17 were treated as the carrying amounts of the right-of-use assets and lease obligations for purposes of IFRS 16 immediately before the date of transition (ie as at 31 March 2019).
- The group applied hindsight in determining the lease terms for contracts that contain extension and termination options.

On transition to IFRS 16, the group recognised right-of-use assets of US$241.5m and lease obligations of US$242.2m. The difference related primarily to pre-existing onerous lease provisions and prepaid or accrued lease payments that were adjusted to the carrying value of the relevant underlying right-of-use assets. Apart from leases of assets of low value and short-term leases, lease obligations and right-of-use assets have been measured by discounting lease payments (including those arising under extension options where relevant) using the relevant lease's incremental borrowing rate as at 1 April 2019. The weighted average lessee's incremental borrowing rate was 4.8%.

The group presents right-of-use assets in "Property, plant and equipment" and capitalised lease liabilities in the statement of financial position. Interest on lease liabilities is included in "Interest expense" in the income statement and included in "Cash flows from operating activities" in the statement of cash flows.

The group's leasing arrangements relate primarily to office buildings, warehouse space, equipment and motor vehicles. Lease agreements are generally entered into for fixed periods of between two and 10 years, depending on the nature of the underlying asset being leased. Leasing arrangements may contain extension and/or termination options that are exercisable by the group. In determining the lease term for arrangements that contain extension and/or termination options the group considers all facts and circumstances that may create an economic incentive to exercise an extension and/or not exercise a termination option. The leases do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

In the consolidated annual financial statements for the year ended 31 March 2019, the group disclosed the operating lease commitments in terms of IAS 17 on an undiscounted basis. The impact on transition to IFRS 16 provides a reconciliation of the lease commitments disclosed under IAS 17 as at 31 March 2019 to the lease liability recognised on a discounted basis using the weighted average incremental borrowing rate as at 1 April 2019. The impact on the financial statements on transition to IFRS 16 is detailed hereafter.

Lease liabilities recognised

	1 April 2019 US$'m
Operating lease commitments under IAS 17	
Operating lease commitment at 31 March as disclosed[(1)]	**282**
Discounted using the incremental borrowing rate as at 1 April 2019	**216**
Recognition exemptions	**(1)**
Short-term leases	**(1)**
Extension and termination options reasonably certain to be exercised	**27**
Finance lease liabilities recognised as at 31 March 2019	**8**
Lease liabilities recognised as at 1 April 2019	**250**
Less: Current portion of lease liabilities	**(47)**
Non-current portion of lease liabilities	**203**

[(1)] The group disclosed these lease commitments on an undiscounted basis in the consolidated annual financial statements for the year ended 31 March 2019.

3. REVIEW BY THE INDEPENDENT AUDITOR

These condensed consolidated interim financial statements have been reviewed by the company's external auditor, PricewaterhouseCoopers Inc., whose unqualified report appears at the end of the condensed consolidated interim financial statements.

4. SEGMENTAL REVIEW

	Revenue			
	Six months ended 30 September			Year ended 31 March
	2019 Reviewed US$'m	2018 Reviewed US$'m	% change	2019 Audited US$'m
Continuing operations				
Internet	**10 106**	9 028	12	18 678
Ecommerce[(1)]	**2 089**	1 987	5	3 934
– Classifieds	**596**	405	47	875
– Payments and Fintech	**199**	171	16	360
– Food Delivery	**306**	181	69	377
– Etail	**695**	984	(29)	1 847
– Travel	**146**	137	7	234
– Other	**147**	109	35	241
Social and internet platforms	**8 017**	7 041	14	14 744
– Tencent	**7 800**	6 905	13	14 457
– Mail.ru	**217**	136	60	287
Media	**139**	170	(18)	326
Corporate segment	**(2)**	(10)	(80)	2
Intersegmental	**–**	–	–	(16)
Total economic interest from continuing operations	**10 243**	9 188	11	18 990
Less: Equity-accounted investments	**(8 513)**	(7 676)	(11)	(15 699)
Total consolidated from continuing operations	**1 730**	1 512		3 291
Total from discontinued operations	**–**	1 832	(100)	3 321
Consolidated[(2)]	**1 730**	3 344	(48)	6 612

[(1)] *The group historically allocated a portion of its corporate costs to the Video Entertainment segment. Following the distribution of MultiChoice Group to shareholders in February 2019, and the consequent presentation of the Video Entertainment segment as a discontinued operation, corporate costs are now only allocated to the ecommerce business. The group views these corporate costs as primarily relating to the support of the ecommerce business, in line with IFRS 8* Operating Segments. *The group has accordingly presented the comparative information contained in the segmental review on a similar basis.*

[(2)] *Includes the results of the Video Entertainment segment, which has been classified as a discontinued operation in the comparative period (refer to note 5).*

4. **SEGMENTAL REVIEW** (continued)

	EBITDA[1]			
	Six months ended 30 September			Year ended 31 March
	2019 Reviewed US$'m	2018 Reviewed US$'m	% change	2019 Audited US$'m
Continuing operations				
Internet	**2 317**	2 006	16	3 813
Ecommerce[2]	**(366)**	(230)	(59)	(556)
– Classifieds	**63**	54	17	19
– Payments and Fintech	**(35)**	(22)	59	(39)
– Food Delivery	**(273)**	(39)	600	(162)
– Etail	**(17)**	(95)	(82)	(133)
– Travel	**(19)**	(17)	12	(36)
– Other	**(85)**	(111)	(23)	(205)
Social and internet platforms	**2 683**	2 236	20	4 369
– Tencent	**2 599**	2 213	17	4 324
– Mail.ru	**84**	23	265	45
Media	**7**	(5)	(240)	(7)
Corporate segment	**(8)**	(12)	(33)	(17)
Total economic interest from continuing operations	**2 316**	1 989	16	3 789
Less: Equity-accounted investments	**(2 458)**	(2 100)	(17)	(4 120)
Total consolidated from continuing operations	**(142)**	(111)		(331)
Total from discontinued operations	**–**	387	(100)	655
Consolidated[3]	**(142)**	276	(151)	324

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

[2] *The group historically allocated a portion of its corporate costs to the Video Entertainment segment. Following the distribution of MultiChoice Group to shareholders in February 2019, and the consequent presentation of the Video Entertainment segment as a discontinued operation, corporate costs are now only allocated to the ecommerce business. The group views these corporate costs as primarily relating to the support of the ecommerce business, in line with IFRS 8* Operating Segments*. The group has accordingly presented the comparative information contained in the segmental review on a similar basis.*

[3] *Includes the results of the Video Entertainment segment, which has been classified as a discontinued operation in the comparative period (refer to note 5).*

4. SEGMENTAL REVIEW (continued)

	Trading profit			
	Six months ended 30 September			Year ended 31 March
	2019 Reviewed US$'m	2018 Reviewed US$'m	% change	2019 Audited US$'m
Continuing operations				
Internet	**1 901**	1 810	5	3 339
Ecommerce[(1)]	**(433)**	(245)	(77)	(613)
– Classifieds	**42**	47	(11)	2
– Payments and Fintech	**(38)**	(24)	58	(43)
– Food Delivery	**(283)**	(41)	590	(171)
– Etail	**(37)**	(106)	(65)	(150)
– Travel	**(21)**	(19)	11	(37)
– Other	**(96)**	(102)	6	(214)
Social and internet platforms	**2 334**	2 055	14	3 952
– Tencent	**2 264**	2 043	11	3 929
– Mail.ru	**70**	12	483	23
Media	**4**	(10)	(140)	(14)
Corporate segment	**(9)**	(12)	25	(21)
Total economic interest from continuing operations	**1 896**	1 788	6	3 304
Less: Equity-accounted investments	**(2 098)**	(1 911)	(10)	(3 686)
Total consolidated from continuing operations	**(202)**	(123)		(382)
Total from discontinued operations	**–**	251	(100)	512
Consolidated[(2)]	**(202)**	128	(258)	130

(1) *The group historically allocated a portion of its corporate costs to the Video Entertainment segment. Following the distribution of MultiChoice Group to shareholders in February 2019, and the consequent presentation of the Video Entertainment segment as a discontinued operation, corporate costs are now only allocated to the ecommerce business. The group views these corporate costs as primarily relating to the support of the ecommerce business, in line with IFRS 8* Operating Segments*. The group has accordingly presented the comparative information contained in the segmental review on a similar basis.*

(2) *Includes the results of the Video Entertainment segment, which has been classified as a discontinued operation in the comparative period (refer to note 5).*

4. SEGMENTAL REVIEW (continued)

Reconciliation of consolidated trading loss to consolidated operating loss

	Six months ended 30 September		Year ended 31 March
	2019 Reviewed US$'m	2018 Reviewed US$'m	2019 Audited US$'m
Consolidated trading loss from continuing operations[1]	**(202)**	(133)	(398)
Finance cost on capitalised lease liabilities	**6**	–	–
Amortisation of other intangible assets	**(51)**	(46)	(94)
Other gains/(losses) – net	**6**	(32)	(38)
Retention option expense	**(9)**	(5)	(11)
Share-based incentives settled in Naspers Limited shares	**(32)**	(20)	(26)
Consolidated operating loss from continuing operations	**(282)**	(236)	(567)

[1] Includes the net profit impact of trading loss between continuing and discontinued operations of US$nil (2018: US$7.2m and March 2019: US$15.7m).

5. PROFIT FROM DISCONTINUED OPERATIONS

In February 2019, the group distributed to its shareholders its investment in MultiChoice Group Limited (MultiChoice Group). The assets and liabilities of MultiChoice Group were classified as held for sale in September 2018. The results and cash flows of the group's Video Entertainment segment have been presented as discontinued operations in the comparative period of the condensed consolidated interim financial statements. Discontinued operations also include the group's subscription video-on-demand service in Poland which formed part of the Video Entertainment segment and was closed at the end of January 2019.

The results and cash flows from discontinued operations are detailed in the table below:

Income statement information of discontinued operations

	30 September 2018 Reviewed US$'m	31 March 2019 Audited US$'m
Revenue from contracts with customers	1 832	3 321
Expenses	(1 662)	(2 851)
Profit before tax	170	470
Taxation	(107)	(200)
Profit for the period	63	270
Gain on disposal of discontinued operation	–	2 489
Profit from discontinued operations	63	2 759
Profit from discontinued operations attributable to:		
Equity holders of the group	34	2 683
Non-controlling interests	29	76
	63	2 759

5. PROFIT FROM DISCONTINUED OPERATIONS (continued)

	30 September 2018 Reviewed US$'m	31 March 2019 Audited US$'m
Revenue from contracts with customers		
Subscription revenue	1 520	2 750
Advertising revenue	124	211
Hardware sales and maintenance revenue	91	171
Technology revenue	50	98
Sublicence and reconnection fee revenue	32	63
Other revenue	15	28
Revenue from contracts with customers	1 832	3 321
Cash flow statement information of discontinued operations		
Net cash generated from operating activities	169	344
Net cash utilised in investing activities	(20)	(63)
Net cash generated from financing activities	199	20
Cash generated by discontinued operations	348	301

Per share information related to discontinued operations

	30 September 2018 Reviewed US$'m	31 March 2019 Audited US$'m
Earnings per ordinary share (US cents)	8	613
Diluted earnings per ordinary share (US cents)	7	610
Headline earnings for the period (US$'m)	34	216
Headline earnings per ordinary share (US cents)	8	49
Diluted headline earnings per ordinary share (US cents)	7	49
Core headline earnings for the period (US$'m)	118	308
Core headline earnings per ordinary share (US cents)	27	70
Diluted core headline earnings per ordinary share (US cents)	27	70
Net number of ordinary shares issued ('000)		
– weighted average for the period	437 670	437 746
– diluted weighted average	439 066	439 604

6. HEADLINE AND CORE HEADLINE EARNINGS

Headline earnings

Headline earnings represent net profit for the period attributable to equity holders of the group, excluding certain defined separately identifiable remeasurements relating to, among others, impairments of tangible assets, intangible assets (including goodwill) and equity-accounted investments, gains or losses on acquisitions and disposals of investments as well as assets, dilution gains or losses on equity-accounted investments, remeasurement gains or losses on disposal groups classified as held for sale and remeasurements included in equity-accounted earnings, net of related taxes (both current and deferred) and the related non-controlling interests. These remeasurements are determined in accordance with Circular 4/2018, headline earnings, as issued by the South African Institute of Chartered Accountants, pursuant to the JSE Listings Requirements.

Core headline earnings

Core headline earnings, a non-IFRS performance measure, represent headline earnings for the period, excluding certain non-operating items. Specifically, headline earnings are adjusted for the following items to derive core headline earnings: (i) equity-settled share-based payment expenses on transactions where there is no cash cost to the company. These include those relating to share-based incentive awards settled by issuing treasury shares as well as certain share-based payment expenses that are deemed to arise on shareholder transactions; (ii) deferred taxation income recognised on the first-time recognition of deferred tax assets, as this generally relates to multiple prior periods and distorts current period performance; (iii) fair-value adjustments on financial instruments (including put option liabilities) and unrealised currency translation differences, as these items obscure the group's underlying operating performance; (iv) one-off gains or losses (including acquisition-related costs) resulting from acquisitions and disposals of businesses as these items relate to changes in the composition of the group and are not reflective of its underlying operating performance; and (v) the amortisation of intangible assets recognised in business combinations and acquisitions, as these expenses are not considered operational in nature. These adjustments are made to the earnings of combined businesses controlled by the group as well as the group's share of earnings of associates and joint ventures, to the extent that the information is available.

A reconciliation of net profit attributable to shareholders to headline and core headline earnings is outlined below:

Calculation of headline and core headline earnings

	Six months ended 30 September		Year ended 31 March
	2019 Reviewed US$'m	2018 Reviewed US$'m	2019 Audited US$'m
Net profit attributable to shareholders from continuing operations	**2 266**	3 388	4 218
Adjusted for:			
– impairment of property, plant and equipment and other assets	**–**	1	1
– impairment of goodwill and other intangible assets	**2**	–	7
– loss on sale of assets	**–**	1	2
– gain on loss of control	**(17)**	–	–
– gains on acquisitions and disposals of investments	**(570)**	(1 594)	(1 621)
– remeasurement of previously held interest	**–**	(10)	(7)
– dilution losses on equity-accounted investments	**65**	62	182
– remeasurements included in equity-accounted earnings	**(418)**	623	695
– impairment of equity-accounted investments	**10**	82	88
	1 338	2 553	3 565
Total tax effects of adjustments	**41**	176	175
Total adjustment for non-controlling interest	**46**	3	(21)
Headline earnings	**1 425**	2 732	3 719
Adjusted for:			
– equity-settled share-based payment expenses	**275**	236	561
– reversal/(recognition) of deferred tax assets	**138**	–	(36)
– amortisation of other intangible assets	**173**	126	295
– fair-value adjustments and currency translation differences	**(440)**	(1 559)	(1 570)
– retention option expense	**8**	4	11
– transaction-related costs	**85**	7	20
Core headline earnings	**1 664**	1 546	3 000

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$26.2m (2018: US$27.0m and 31 March 2019: US$47.0m) relating to the future dilutive impact of potential ordinary shares issued by equity-accounted investees.

6. **HEADLINE AND CORE HEADLINE EARNINGS** (continued)

Equity-accounted results

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

	Six months ended 30 September		Year ended 31 March
	2019 Reviewed US$'m	2018 Reviewed US$'m	2019 Audited US$'m
Share of equity-accounted results	**2 272**	2 102	3 410
– gains on acquisitions and disposals	**(522)**	(152)	(126)
– impairment of investments	**140**	771	799
Contribution to headline earnings	**1 890**	2 721	4 083
– amortisation of other intangible assets	**141**	92	236
– equity-settled share-based payment expenses	**241**	220	535
– fair-value adjustments and currency translation differences	**(425)**	(1 372)	(1 499)
Contribution to core headline earnings	**1 847**	1 661	3 355
Tencent	**1 988**	1 775	3 587
Mail.ru	**60**	9	15
MakeMyTrip	**(13)**	(27)	(49)
Delivery Hero	**(35)**	(24)	(55)
Swiggy	**(106)**	(14)	(52)
Other	**(47)**	(58)	(91)

The group applies an appropriate lag period in reporting the results of equity-accounted investments.

7. **REVENUE FROM CONTRACTS WITH CUSTOMERS**

	Reportable segment(s) where revenue is included	**Six months ended 30 September**		Year ended 31 March
		2019 Reviewed US$'m	2018 Reviewed US$'m	2019 Audited US$'m
Online sale of goods revenue	Classifieds and Etail	**704**	631	1 481
Classifieds listings revenue	Classifieds	**391**	306	623
Payment transaction commissions and fees	Payments and Fintech	**174**	145	308
Mobile and other content revenue	Other Ecommerce	**88**	73	159
Food-delivery revenue	Food Delivery	**129**	75	159
Travel package revenue and commissions	Travel	**–**	27	27
Advertising revenue	Various	**102**	118	229
Comparison shopping commissions and fees	Other Ecommerce	**18**	20	45
Printing, distribution, circulation, publishing and subscription revenue	Media	**69**	70	145
Other revenue	Various	**55**	47	115
		1 730	1 512	3 291

As at 31 March 2019, the categories of revenue presented were disaggregated into a more granular level as it provided more useful information. Accordingly, the comparative information for the six months ended 30 September 2018 was similarly disaggregated and the information was reclassified to present the categories of revenue of the same basis as at 31 March 2019.

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.

8. FINANCE INCOME/(COSTS)

	Six months ended 30 September 2019 Reviewed US$'m	2018 Reviewed US$'m	Year ended 31 March 2019 Audited US$'m
Interest income	**137**	134	284
– loans and bank accounts	**136**	134	283
– other	**1**	–	1
Interest expense	**(106)**	(103)	(205)
– loans and overdrafts	**(96)**	(101)	(201)
– other	**(10)**	(2)	(4)
Other finance income/(cost) – net	**11**	246	130
– net foreign exchange differences and fair-value adjustments on derivatives	**3**	7	77
– remeasurement of written put option liabilities	**8**	239	53

9. 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 2019 Reviewed US$'m	2018 Reviewed US$'m	Year ended 31 March 2019 Audited US$'m
Depreciation of property, plant and equipment[(1)]	**46**	17	35
Amortisation	**59**	55	111
– other intangible assets	**51**	46	94
– software	**8**	9	17
Impairment losses on financial assets measured at amortised cost	**5**	4	18
Net realisable value adjustments on inventory, net of reversals[(2)]	**2**	2	28
Other gains/(losses) – net	**6**	(32)	(38)
– loss on sale of assets	**–**	(1)	(2)
– impairment of goodwill and other intangible assets	**(2)**	–	(7)
– impairment of property, plant and equipment and other assets	**–**	(1)	(1)
– dividends received on investments	**1**	2	4
– fair-value adjustments on financial instruments	**–**	(27)	(27)
– gain recognised on loss of significant influence	**7**	–	–
– other	**–**	(5)	(5)
Gains on acquisitions and disposals	**500**	1 602	1 609
– gains on disposal of investments	**570**	1 594	1 618
– gains recognised on loss of control transactions	**17**	–	–
– remeasurement of contingent consideration	**–**	3	3
– transaction-related costs	**(87)**	(5)	(19)
– remeasurement of previously held interest	**–**	10	7

(1) *The increase in depreciation is as a result of the adoption of IFRS 16* Leases*. Refer to note 2 for details of the group's adoption of new accounting pronouncements during the period.*
(2) *Net realisable value writedowns relate primarily to general inventory writedowns in the Etail segment.*

10. GOODWILL

Movements in the group's goodwill for the period are detailed below:

	Six months ended 30 September		Year ended 31 March
	2019 Reviewed US$'m	2018 Reviewed US$'m	2019 Audited US$'m
Goodwill			
– cost	**2 360**	2 961	2 961
– accumulated impairment	**(240)**	(354)	(354)
Opening balance	**2 120**	2 607	2 607
– foreign currency translation effects	**4**	(291)	(292)
– acquisitions of subsidiaries and businesses	**84**	88	105
– disposals of subsidiaries and businesses	**–**	(6)	(7)
– transferred to assets classified as held for sale	**–**	(283)	(287)
– impairment[1]	**(2)**	–	(6)
Closing balance	**2 206**	2 115	2 120
– cost	**2 297**	2 341	2 360
– accumulated impairment	**(91)**	(226)	(240)

[1] *Goodwill is tested for impairment annually on 31 December. No impairment triggers have been identified for the period ended on 30 September 2019.*

11. COMMITMENTS AND CONTINGENT LIABILITIES

Commitments relate to amounts for which the group has contracted, but that have not yet been recognised as obligations in the statement of financial position.

	Six months ended 30 September		Year ended 31 March
	2019 Reviewed US$'m	2018 Reviewed US$'m	2019 Audited US$'m
Commitments	**176**	3 044	327
– capital expenditure	**15**	10	19
– programme and film rights[1]	**–**	2 463	–
– other service commitments	**156**	171	26
– short-term lease commitments[2]	**5**	295	282
– set-top box commitments	**–**	105	–

[1] *Prior-period commitments for programme and film rights related to MultiChoice Group which was distributed to shareholders in February 2019 (refer to note 5). At 30 September 2018, MultiChoice Group was classified as held for sale.*
[2] *The decrease in short-term lease commitments is as a result of the adoption of IFRS 16* Leases*. Refer to note 2 for details of the group's adoption of new accounting pronouncements during the period.*

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$16.4m (2018: US$194.3m and 31 March 2019: US$22.0m). The current-year reduction in possible tax exposures relates primarily to the distribution of the MultiChoice Group to shareholders.

Furthermore, the group has an uncertain tax position of US$177.0m (2018: US$nil and 31 March 2019: US$177.0m) related to amounts receivable from tax authorities.

12. ASSETS CLASSIFIED AS HELD FOR SALE/DISTRIBUTION

In May 2019 the group announced the sale of its 100% effective interest in its subsidiary BuscaPé Company Informaçao e Technologia Limitada (BuscaPé). Regulatory approval for this transaction was granted in October 2019 and accordingly, the assets and liabilities of BuscaPé have been classified as held sale as at 30 September 2019. The sale was concluded in October 2019.

In April 2019 the group concluded the contribution of its subsidiary Netrepreneur Connections Enterprises, Inc. (Sulit) to Carousell Private Limited (Carousell) for an equity interest in Carousell. Sulit was classified as held for sale as at 30 September 2018. Refer to note 13 for further information.

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 as at 30 September 2018. The listing on the JSE and subsequent unbundling was completed in February 2019.

Assets and liabilities classified as held for sale are detailed in the table below:

	Six months ended 30 September		Year ended 31 March
	2019 Reviewed US$'m	2018 Reviewed US$'m	2019 Audited US$'m
Assets	**21**	2 961	67
Property, plant and equipment	**–**	1 250	–
Goodwill and other intangible assets	**2**	329	13
Programme and film rights	**–**	380	–
Investments and loans	**–**	9	51
Derivative financial instruments	**–**	21	–
Deferred taxation assets	**–**	94	–
Inventory	**–**	72	–
Trade and other receivables	**14**	512	2
Cash and cash equivalents	**5**	294	1
Liabilities	**12**	2 351	2
Capitalised lease liabilities	**–**	1 118	–
Programme and film rights liabilities	**–**	124	–
Derivative financial instruments	**–**	4	–
Deferred taxation liabilities	**1**	18	–
Long-term liabilities	**–**	4	–
Trade payables	**–**	382	–
Accrued expenses and other current liabilities	**11**	701	2

13. BUSINESS COMBINATIONS, OTHER ACQUISITIONS AND DISPOSALS

The following relates to the group's significant transactions related to business combination and subsidiaries:

In July 2019 the group acquired the majority stake in Red Dot Payment Private Limited (Red Dot) in Southeast Asia for US$45m. The company is an online payment company providing premium payment solutions and expertise to merchants across Asia Pacific. Following this investment the group has a 73% effective interest (66% fully diluted) in Red Dot. The transaction was accounted for as a business combination with an effective date of July 2019. The provisional purchase price allocation: intangible assets US$8m; cash and deposits US$14m; trade and other receivables US$2m; trade and liabilities US$7m; and the balance of US$28m to goodwill. The main intangible assets recognised in the business combination were customer relationships and technology.

The revenue and net results of Red Dot, had the acquisition taken place on 1 April 2019, were not significant to the group's income statement.

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

In July 2019 the group invested US$66m for a 100% effective and fully diluted interest in Wibmo, Inc. (Wibmo), a digital payment company providing payment security, mobile payment solutions and processing services in India. The transaction was accounted for as a business combination with an effective date of July 2019. The purchase price allocation: intangible assets US$28m; property, plant and equipment US$3m; cash and deposits US$4m; trade and other receivables US$9m; liabilities US$14m; and the balance of US$36m to goodwill. The main intangible asset recognised in the business combination was technology and customer relationship.

The revenue and net results of Wibmo, had the acquisition taken place on 1 April 2019, were not significant to the group's income statement.

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

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

In April 2019 the group contributed 100% of the issued share capital of its subsidiary Netrepreneur Connections Enterprises Inc. (Sulit) as well as cash with an aggregate value of US$56m to Carousell Private Limited (Carousell) in exchange for a 12% (10% fully diluted) interest in Carousell, one of Asia's largest and fastest-growing classifieds marketplaces. The group recognised a gain on loss of control of US$26m in "Gains on acquisitions and disposals" in the income statement. The companies will merge their operations in the Philippines. The group classified its interest in Carousell as an investment in an associate on account of its representation on the board of Carousell.

In July 2019 the group invested an additional US$25m in Brainly Inc. (Brainly). Following this investment, the group holds a 43% effective interest (38% fully diluted) in Brainly. The group continues to account for its interest as an investment in an associate.

In August 2019 the group invested US$80m in Meesho Inc. (Meesho), a leading social commerce online marketplace in India that enables independent resellers to build small businesses by connecting them with suppliers to curate a catalogue of goods and services to sell. Meesho also provides logistics and payment tools on their platform. Following this investment, the group holds a 12% effective interest (11% fully diluted) in Meesho. The group has accounted for its interest as an investment in an associate on account of its representation on the board of Meesho.

In August 2019 the group exchanged its 43% interest in its online travel associate MakeMyTrip Limited for a 6% effective interest in Ctrip.com International Limited (Ctrip), a well-known provider of online travel and related services headquartered in China. The group made a gain of US$599m which was recognised in "Gains on acquisitions and disposals" in the income statement. The group has classified its interest in Ctrip as an investment at fair value through other comprehensive income presented in "Other investments and loans" in the statement of financial position.

14. CHANGES IN NON-CONTROLLING INTEREST

Pursuant to the listing of Prosus, Naspers provided its existing shareholders an option to receive either a shareholding in Prosus shares or additional Naspers shares for no consideration. Subsequent to the listing in September 2019 and certain shareholders electing to receive Prosus shares for no consideration, 26.16% of the issued Prosus N ordinary shares were recognised as a non-controlling interest in the Prosus group. Naspers held the remaining 73.84% of Prosus.

The Prosus group prepares its own consolidated financial results, which are reported to its shareholders in accordance with its listing obligations on Euronext Amsterdam. In its results, Prosus discloses various related party balances and transactions with fellow subsidiaries in the Naspers group. More information on Prosus's results is available at https://www.prosus.com.

The Prosus group represents a significant portion of Naspers's net asset value as it comprises the international ecommerce and internet assets, including the investment in Tencent. Accordingly, the 26.16% interest in Prosus represents a significant non-controlling interest of the group. This non-controlling interest will be entitled to its share of future earnings of the Prosus group.

15. 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 financial statements 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 2019. 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 2019.

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 2019 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				
Financial assets at fair value through other comprehensive income	**959**	**894**	**3**	**62**
Forward exchange contracts	**4**	**–**	**4**	**–**
Cross-currency interest rate swap	**4**	**–**	**4**	**–**
Liabilities				
Forward exchange contracts	**2**	**–**	**2**	**–**
Earn-out obligations	**2**	**–**	**–**	**2**

15. FINANCIAL INSTRUMENTS (continued)

	Fair-value measurements at 31 March 2019 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				
Financial assets at fair value through other comprehensive income[(1)]	122	73	3	46
Forward exchange contracts	4	–	4	–
Derivatives embedded in leases	1	–	–	1
Liabilities				
Forward exchange contracts	3	–	3	–
Earn-out obligations	7	–	–	7
Interest rate and cross-currency swaps	33	–	33	–

[(1)] *Includes assets classified as held for sale.*

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.

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 2019		31 March 2019	
	Carrying value US$'m	**Fair value US$'m**	Carrying value US$'m	Fair value US$'m
Financial liabilities				
Publicly traded bonds	**3 200**	**3 476**	3 200	3 350

The fair values of the publicly traded bonds have been determined with reference to the listed prices of the instruments as at the end of the reporting period.

16. 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.

17. Events after the reporting period

In May 2019 the group announced the sale of its 100% effective interest in its subsidiary BuscaPé Company Informaçao e Technologia Limitada (BuscaPé). The transaction received regulatory approval in October 2019. At 30 September 2019, BuscaPé was classified as a disposal group available for sale. On conclusion of the transaction, the group will recognise a loss of approximately US$182m, primarily related to the recycling of the foreign exchange translation loss reserve.

In June 2019 the group signed an agreement to acquire a 79% effective interest (85% fully diluted) for approximately US$131m in ïyzi Ödeme ve Elektronik Para Hizmetleri Anonim, Şirketi (Iyzico), a leading payment service provider in Turkey. The transaction is subject to regulatory approval. The group will account for the acquisition of its interest in Iyzico as a business combination and will classify the investment as an investment in a subsidiary.

In October 2019 the group acquired a 20.6% effective interest (19.4% fully diluted) for approximately US$30m in NTex Transportation Services Private Limited (ElasticRun), a software and technology platform for providing transportation and logistics services in India. The group will account for the acquisition of its interest as an investment in an associate.

On 22 October 2019 the group announced a cash offer of approximately US$6.0bn (£4.9bn) to acquire the entire issued and to be issued share capital of Just Eat plc (Just Eat). Just Eat operates a leading global hybrid marketplace for online food delivery, connecting over 27 million consumers with more than 107 000 restaurant partners across the United Kingdom, Australia, New Zealand, Canada, Denmark, France, Ireland, Italy, Mexico, Norway, Spain, Switzerland and Brazil. Pursuant to the announcement, Prosus N.V. has secured a bridge loan facility that will be used to finance the cash consideration payable under the offer. The transaction is subject to certain conditions, including regulatory approval in Spain and shareholders of Just Eat accepting the offer from Prosus over the competing bid from Takeaway.com N.V.

In October 2019 the group concluded the merger of its eMAG Hungary operations with the Hungarian operations of Extreme Digital, one of the leading etailers in Hungary. The group contributed the operations of its subsidiary eMAG Hungary as well as cash. Following the merger, eMAG will become the majority shareholder, with an effective interest of 52% in the newly merged entity. The group will account for the acquisition of its interest in the merged entity as a business combination and will classify the investment as an investment in a subsidiary.

In November 2019 the group announced its intention to increase its ownership in online automotive marketplace, Frontier Car Group (FCG), and thereby become its largest shareholder, with a controlling stake. The group will invest up to US$400m comprising a primary injection of capital into FCG and the contribution of the group's joint-venture shares in the Indian and Polish businesses, as well as the acquisition of shares held by other investors, founders and management, subject to a tender offer process. The transaction is expected to close in the second half of the financial year and is subject to various approvals. The group will account for the transaction as a business combination and will classify the investment as an investment in a subsidiary.

A. NON-IFRS FINANCIAL MEASURES AND ALTERNATIVE PERFORMANCE MEASURES

A.1 Growth in local currency, excluding acquisitions and disposals

The group applies certain adjustments to segmental revenue and trading profit reported in the condensed consolidated interim financial statements to present the growth in such metrics in local currency and excluding the effects of changes in the composition of the group. Such underlying adjustments provide a view of the company's underlying financial performance that management believes is more comparable between periods by removing the impact of changes in foreign exchange rates and changes in the composition of the group on its results. Such adjustments are referred to herein as growth in local currency, excluding acquisitions and disposals. The group applies the following methodology in calculating growth in local currency, excluding acquisitions and disposals:

- 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:

	Six months ended 30 September	
	2019	2018
Currency (1FC = US$)		
South African rand	**0.0685**	0.0741
Euro	**1.1119**	1.1724
Chinese yuan renminbi	**0.1439**	0.1505
Brazilian real	**0.2520**	0.2612
Indian rupee	**0.0143**	0.0145
Polish zloty	**0.2580**	0.2728
Russian rouble	**0.0154**	0.0156
United Kingdom pound	**1.2487**	1.3228

- Adjustments made for changes in the composition of the group relate to acquisitions, mergers and disposals of subsidiaries and equity-accounted investments, as well as to changes in the group's shareholding in its equity-accounted investments. For acquisitions, adjustments are made to remove the revenue and trading profit/(loss) of the acquired entity from the current reporting period and, in subsequent reporting periods, to ensure that the current reporting period and the comparative reporting period contain revenue and trading profit/(loss) information relating to the same number of months. For mergers, adjustments are made to include a portion of the prior period's revenue and trading profit/(loss) of the entity acquired as a result of a merger. For disposals, adjustments are made to remove the revenue and trading profit/(loss) of the disposed entity from the previous reporting period to the extent that there is no comparable revenue or trading profit/(loss) information in the current period and, in subsequent reporting periods, to ensure that the previous reporting period does not contain revenue and trading profit/(loss) information relating to the disposed business.

A. NON-IFRS FINANCIAL MEASURES AND ALTERNATIVE PERFORMANCE MEASURES (continued)

A.1 Growth in local currency, excluding acquisitions and disposals (continued)

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:

Six months ended 30 September 2019

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
Disposal of the group's interest in Travel Boutique Online (TBO)	Subsidiary	Ecommerce	Disposal
Disposal of the group's interest in Uaprom	Subsidiary	Ecommerce	Disposal
Step up in the group's interest in Swiggy	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Frontier Car Group	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Aasaanjobs	Subsidiary	Ecommerce	Acquisition
Acquisition of the group's interest in Selency	Subsidiary	Ecommerce	Acquisition
Acquisition of the group's interest in BYJU'S	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Honor	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Zooz	Subsidiary	Ecommerce	Acquisition
Step up in the group's interest in Sympla	Subsidiary	Ecommerce	Disposal/Acquisition
Acquisition of the group's interest in Wibmo	Subsidiary	Ecommerce	Acquisition

The net adjustment made for all acquisitions and disposals on continuing operations that took place during the period ended 30 September 2019 amounted to a negative adjustment of US$212m on revenue and a positive adjustment of US$35m on trading profit. These adjustments include a change in estimate related to Mail.ru's deferred revenue, which the group adjusted for as part of the lag period.

A. NON-IFRS FINANCIAL MEASURES AND ALTERNATIVE PERFORMANCE MEASURES (continued)
A.1 Growth in local currency, excluding acquisitions and disposals (continued)

	Period ended 30 September							
	2018 A	**2019 B**	**2019 C**	**2019 D**	**2019 E**	**2019 F[(2)]**	**2019 G[(3)]**	**2019 H[(4)]**
	IFRS[(1)] US$'m	**Group composition disposal adjustment US$'m**	**Group composition acquisition adjustment US$'m**	**Foreign currency adjustment US$'m**	**Local currency growth US$'m**	**IFRS[(1)] US$'m**	**Local currency growth % change**	**IFRS % change**
CONTINUING OPERATIONS								
Revenue								
Internet	9 028	**(399)**	**198**	**(453)**	**1 732**	**10 106**	**20**	**12**
Ecommerce	1 987	**(384)**	**142**	**(94)**	**438**	**2 089**	**27**	**5**
– Classifieds	405	**(2)**	**55**	**(14)**	**152**	**596**	**38**	**47**
– Payments and Fintech	171	**(2)**	**8**	**(12)**	**34**	**199**	**20**	**16**
– Food Delivery	181	**(6)**	**21**	**(11)**	**121**	**306**	**69**	**69**
– Etail	984	**(340)**	**–**	**(52)**	**103**	**695**	**16**	**(29)**
– Travel	137	**(29)**	**34**	**–**	**4**	**146**	**4**	**7**
– Other	109	**(5)**	**24**	**(5)**	**24**	**147**	**23**	**35**
Social and internet platforms	7 041	**(15)**	**56**	**(359)**	**1 294**	**8 017**	**18**	**14**
– Tencent	6 905	**(13)**	**–**	**(357)**	**1 265**	**7 800**	**18**	**13**
– Mail.ru	136	**(2)**	**56**	**(2)**	**29**	**217**	**22**	**60**
Media	170	**(12)**	**–**	**(11)**	**(8)**	**139**	**(5)**	**(18)**
Corporate segment	(10)	**–**	**–**	**–**	**8**	**(2)**	**(80)**	**(80)**
Group economic interest	9 188	**(411)**	**198**	**(464)**	**1 732**	**10 243**	**20**	**11**
DISCONTINUED OPERATIONS								
Video Entertainment	1 832	**(1 832)**	**–**	**–**	**–**	**–**	**–**	**–**
Group economic interest	11 020	**(2 243)**	**198**	**(464)**	**1 732**	**10 243**	**20**	**(7)**

(1) *Figures presented on an economic-interest basis as per the segmental review.*
(2) *A + B + C + D + E.*
(3) *[E/(A + B)] x 100.*
(4) *[(F/A) – 1] x 100.*

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

A. NON-IFRS FINANCIAL MEASURES AND ALTERNATIVE PERFORMANCE MEASURES (continued)

A.1 Growth in local currency, excluding acquisitions and disposals (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							
	2018 A	**2019 B**	**2019 C**	**2019 D**	**2019 E**	**2019 F(2)**	**2019 G(3)**	**2019 H(4)**
	IFRS(1) US$'m	**Group composition disposal adjustment US$'m**	**Group composition acquisition adjustment US$'m**	**Foreign currency adjustment US$'m**	**Local currency growth US$'m**	**IFRS(1) US$'m**	**Local currency growth % change**	**IFRS % change**
CONTINUING OPERATIONS								
Trading profit								
Internet	1 810	**43**	**(18)**	**(88)**	**154**	**1 901**	**8**	**5**
Ecommerce	(245)	**47**	**(74)**	**17**	**(178)**	**(433)**	**(90)**	**(77)**
– Classifieds	47	**1**	**(12)**	**5**	**1**	**42**	**(2)**	**11**
– Payments and Fintech	(24)	**1**	**(9)**	**(1)**	**(5)**	**(38)**	**(22)**	**(58)**
– Food Delivery	(41)	**(4)**	**(46)**	**9**	**(201)**	**(283)**	**>(100)**	**>(100)**
– Etail	(106)	**48**	**–**	**3**	**18**	**(37)**	**31**	**65**
– Travel	(19)	**(4)**	**(2)**	**–**	**4**	**(21)**	**17**	**(11)**
– Other	(102)	**5**	**(5)**	**1**	**5**	**(96)**	**5**	**6**
Social and internet platforms	2 055	**(4)**	**56**	**(105)**	**332**	**2 334**	**16**	**14**
– Tencent	2 043	**(4)**	**–**	**(105)**	**330**	**2 264**	**16**	**11**
– Mail.ru	12	**–**	**56**	**–**	**2**	**70**	**17**	**>100**
Media	(10)	**9**	**–**	**1**	**4**	**4**	**>(100)**	**>(100)**
Corporate segment	(12)	**–**	**–**	**–**	**3**	**(9)**	**25**	**25**
Group economic interest	1 788	**52**	**(18)**	**(87)**	**161**	**1 896**	**9**	**6**
DISCONTINUED OPERATIONS								
Video Entertainment	251	**(251)**	**–**	**–**	**–**	**–**	**–**	**–**
Group economic interest	2 039	**(199)**	**(18)**	**(87)**	**161**	**1 896**	**9**	**(7)**

(1) *Figures presented on an economic-interest basis as per the segmental review.*
(2) *A + B + C + D + E.*
(3) *[E/(A + B)] x 100.*
(4) *[(F/A) – 1] x 100.*

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

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 condensed consolidated interim financial statements, which comprise the condensed consolidated statement of financial position as at 30 September 2019 and the related condensed consolidated income statement, statements of comprehensive income, changes in equity and cash flows for the six months then ended, and selected explanatory notes 1 to 17.

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 2019 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.

PricewaterhouseCoopers Inc.
Director: Vicky Myburgh
Registered Auditor

Johannesburg
22 November 2019

Administration and corporate information

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

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

COMPANY SECRETARY
G Kisbey-Green

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JSE SPONSOR
Investec Bank Limited

ADR PROGRAMME
The Bank of New York Mellon maintains a GlobalBuyDIRECT℠ plan for Naspers Limited.
For additional information, please visit The 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: The Bank of New York Mellon, Shareholder Relations Department – GlobalBuyDIRECT℠, 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. 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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