Media release

South Africa, 22 June 2018 – Naspers Limited (JSE: NPN) today announced its results for the year to 31 March 2018.

ROBUST GROWTH FOR THE YEAR, WELL POSITIONED TO PURSUE FURTHER SCALE

Naspers today announced its financial results for the year to 31 March 2018. Revenues, measured on an economic interest basis (including the proportionate contribution from associates and joint ventures), increased 38% year on year to US$20.1bn. Core headline earnings grew 72% to US$2.5bn. Businesses outside South Africa contributed 84% of revenues, compared to 80% a year ago.

"We made good progress this year. Financial performance was strong. Growth in both revenue and trading profit accelerated," said Naspers chair Koos Bekker. "We benefited from scale effects in ecommerce and a positive contribution from Tencent. Video entertainment's results were steady."

Naspers operates in more than 120 countries and markets, resulting in significant exposure to foreign exchange volatility. The group reports in United States dollars (US$), with the financial performances of the businesses consolidated in their functional currencies and translated into US$. Where pertinent, performance in local currencies, adjusted for acquisitions and disposals, is quoted in brackets after the equivalent International Financial Reporting Standards (IFRS) metrics.

Revenue in the internet segment, which now accounts for 79% of group revenues (73% last year), was up 50% (51%) to US$15.9bn. Trading profits also increased 50% (56%), fuelled by ecommerce and Tencent's strong results.

"Classifieds, B2C (business-to-consumer), payments and food delivery contributed meaningfully to an acceleration in ecommerce revenue growth by 25%. Increased scale trimmed the ecommerce segment's trading losses by 8% to US$673m and resulted in a considerable improvement in trading margins," said CFO Basil Sgourdos. "Classifieds (excluding letgo) turned profitable and cash generative during the year. The contribution from our profitable ecommerce businesses – for the first time – now matches that of the video entertainment segment."

During the year, the group strengthened its position in online food delivery services by investing a combined US$1.4bn in Delivery Hero and Swiggy. It was also a pivotal year in the transformation of payments into a broader fintech services business through investing in Kreditech, a credit-scoring business, and Remitly, a technology-driven remittance business, for a combined US$199m.

The macroeconomic environment in sub-Saharan Africa remained weak and the video entertainment business continued to face competition from international players. Nonetheless, the segment recorded a stable performance, adding just over 1m direct-to-home (DTH) subscribers and 520 000 digital terrestrial television (DTT) subscribers, to bring the total base to 13.5m households across the African continent.

Video entertainment generated revenue of US$3.7bn, an increase of 8%, while trading profit rose 29% (24%) to US$369m, reversing the trend of declining profitability. The focus of the business remains on growing subscribers, optimising cost structures and reinvesting for its online future.

Equity-accounted investments contributed US$3.0bn to core headline earnings, an increase of 45% year on year. Consolidated free cash outflow was US$242m, with working capital movements – particularly the video entertainment business's prepaid content rights renewals – having a significant impact. Following the disposal of Tencent shares, Naspers had net cash of US$8.2bn at year-end to fund future growth opportunities.

"In the year ahead, we will use our strong balance sheet to accelerate the growth of our classifieds, food delivery and fintech businesses globally. Also to pursue other growth opportunities when they arise," said Naspers CEO Bob van Dijk. "We will continue to scale the ecommerce and sub-Saharan Africa video entertainment businesses and drive them closer to profitability. We will also focus on innovation, particularly in the area of machine learning," he added.

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

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", "endeavor" 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 judgments 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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