NASPERS

SUMMARISED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2018

Naspers delivered robust growth for the year ended 31 March 2018. Group revenue, measured on an economic-interest basis, was US$20.1bn, up 38% on last year (or 39% in local currency and adjusted for acquisitions and disposals). This is a meaningful growth acceleration of which ecommerce and Tencent were key drivers. On the same basis, group trading profit rose 47% to US$3.4bn (or 52% in local currency and adjusted for acquisitions and disposals). Ecommerce – particularly the classifieds, payments and travel businesses – improved profitability. Tencent's strong performance contributed to the trading profit acceleration. Core headline earnings, the board's measure of operating performance, was up 72% on last year at US$2.5bn. Refer to note 2 of these summarised consolidated financial results for details of the group's change in calculation of core headline earnings and trading profit during the year.

In the ecommerce business, revenue growth accelerated 36% versus 27% last year, with meaningful reductions in trading losses (both metrics in local currency and adjusted for acquisitions and disposals). The classifieds business (excluding letgo) became profitable during the year. The payments business reduced trading losses on its existing footprint, while continuing to scale. The group strengthened its position in online food-delivery services by investing a combined US$1.4bn in Delivery Hero and Swiggy. The video-entertainment business contributed steady revenue and trading profit growth, with trading losses in the sub-Saharan Africa business stabilising despite further currency weakness in Nigeria and Angola.

To reinforce the balance sheet and pursue growth opportunities in, among others, the classifieds, online food-delivery and fintech (financial technology) businesses, we sold a 2% interest in Tencent in March 2018, generating proceeds of US$9.8bn.

We operate in over 120 countries and markets, resulting in significant exposure to foreign-exchange volatility. This can have a notable impact on reported revenue and trading profit metrics, particularly in video entertainment where revenues are earned in local currencies while the cost base is largely US dollar denominated. Foreign-exchange exposure has a more muted impact on the internet businesses as both revenues and costs are generally denominated in local currency. Where relevant in this report, amounts and percentages have been adjusted for the effects of foreign currency and acquisitions and disposals to reflect underlying trends. These adjustments (pro forma financial information) are quoted in brackets, after the equivalent metrics reported under International Financial Reporting Standards (IFRS). A reconciliation of pro forma financial information to the equivalent IFRS metrics is provided in note 16 of these summarised consolidated financial results.

FINANCIAL REVIEW

Consolidated revenue (excluding equity-accounted investments) was up 9% (15%) to US$6.7bn as ecommerce continued to scale. Ecommerce revenues grew 15% or 32% in local currency and adjusted for the impact of acquisitions and disposals (including Allegro and Netretail). Group consolidated trading loss was US$41m – a marked improvement on last year.

Development spend – reflecting the trading losses of businesses yet to reach scale – continued the downward trend reported at September 2017. Consolidated development spend was down 17%, when measured in local currency and excluding acquisitions and disposals, as the ecommerce business improved its profitability and scaled. Development spend decreased across several units, including Showmax and letgo, partially offset by additional investment to further expand Movile's iFood business. When the US$271m invested in consolidated newer initiatives (including letgo and Showmax) is excluded, development spend on older investments decreased 8%.

Our share of the results of equity-accounted investments (associates and joint ventures) was US$3.3bn – up 79%. This includes once-off gains of US$692m and impairment losses of US$159m recognised by these companies. Equity-accounted investments contributed a combined US$3.0bn to core headline earnings, an increase of 45%.

Several notable transactions were concluded during the year. We distributed the majority of our interest in Novus in September 2017, recognising a loss on disposal of US$145m. Following the Tencent share sale (as discussed earlier), we recorded a gain on disposal of US$9.1bn. The participation exemption in South Africa, which prevents double taxation, applied to the sale itself, but any future distributions to shareholders and accretion in value from investment will be taxed in the hands of shareholders at rates of 20% or sometimes more, as applicable.

Naspers and its South African subsidiaries paid and collected a total of US$769m on behalf of the tax authorities for the 2018 year, making us one of the largest taxpayers in South Africa. We also contribute significantly to employment and tax revenues in several countries.

Net interest expense on borrowings was US$122m, down 14%, due to lower use of credit facilities and the lower 4.85% coupon achieved on the US$1.0bn bond issued in July 2017. Following the disposal of Tencent shares, Naspers had net cash of US$8.2bn at 31 March 2018.

We changed our accounting policy on put option liabilities during the year (refer to note 2 of these summarised consolidated financial results). An aggregate remeasurement loss of US$252m was recognised in the income statement on these liabilities during the year and, at 31 March 2018, total put option liabilities were US$2.4bn.

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. These effects were partly offset by dividend income of US$247m from Tencent and improved profitability in the video-entertainment and ecommerce units.

The company's external auditor has not reviewed or reported on forecasts included in these summarised consolidated financial results.

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 grew 50% (51%) to US$15.9bn and trading profit was up 50% (56%) to US$3.1bn, fuelled by ecommerce and Tencent's strong results. This segment now contributes 79% of group revenue – up from 73% last year.

Ecommerce

Ecommerce revenue increased 25% (36%) to US$3.6bn. Classifieds, business-to-consumer (B2C), payments and food delivery all contributed meaningfully to the segment's 9% revenue acceleration. Increased scale resulted in trading losses reducing 8% (24%) to US$673m and a considerable improvement in trading loss margins from 25% last year to 18% this year.

Profitable ecommerce businesses generated revenues of US$1.7bn and trading profits of US$352m (2017: US$699m and US$229m respectively). In local currency and adjusted for acquisitions and disposals, this is growth of 77% and 52%, respectively, on a like-for-like basis. The trading profit contribution from our profitable ecommerce businesses is now similar to that of our entire video-entertainment segment.

Classifieds

Classifieds had a solid year and strengthened its market positions. Revenues grew 47% (35%) to US$628m. Excluding the investment to scale letgo, the classifieds business turned profitable. OLX Brazil delivered strong revenue growth and reached break-even. Avito enhanced user engagement and expanded monetisation, growing revenue 28% in local currency despite a competitive operating environment. The European markets, led by Poland, Ukraine and Romania, accelerated revenue growth on the back of expanded product offerings to sellers in key vertical categories and more than doubled trading profits. letgo continues to gain traction in the US with a significantly improved user experience and is starting to trial monetisation. Annualised monthly unique listers on the letgo platform were up 45%.

Etail
Etail (online retail) showed strong growth with revenues rising some 36% to US$2.1bn, when adjusted for the disposals of Souq and Konga in the current year and Allegro and Netretail last year.

eMAG continued to outpace market growth across its footprint, with gross merchandise value (GMV) increasing by 38%.

Takealot, South Africa's leading etailer, extended its leadership, growing GMV by 70%, and expanding its reach outside its core categories through Superbalist, its fashion and homeware business, and Mr D Food, South Africa's leading food-delivery service.

Flipkart, our equity-accounted etail investment in India, increased market share by growing GMV 49% year on year. During the year it also secured substantial capital from investors – including Tencent and Softbank. After year-end we entered into an agreement to sell our interest in Flipkart to Walmart for approximately US$2.2bn, representing an internal rate of return on our investment of some 32%. The transaction is subject to regulatory approval.

During the year, to improve long-term returns, we disposed of our interests in equity-accounted online retailers Souq in the Middle East and Konga in Nigeria, and finalised the closure of Markafoni in Turkey.

Travel
MakeMyTrip has solidified its position as the leading online travel agency in India and seized cost-saving opportunities created by the merger with ibibo last year. Our share of MakeMyTrip's revenue, in local currency and adjusted for the merger with ibibo last year, grew by 21% year on year to US$222m on the back of healthy growth in its airline ticketing and hotels and packages businesses. Measured on a similar basis, our share of MakeMyTrip's trading losses reduced by 19% as it benefited from healthy growth in gross bookings as well as transaction volume growth in its airline ticketing and hotels and packages businesses.

Payments
The payments and fintech business, PayU, recorded healthy revenue growth of 58% (37%), driven by a 48% increase in transactions processed. Total payment value exceeded US$25bn, with India accounting for 47%. India was also the fastest-growing region, with payment volumes increasing 84%.

PayU has sustained growth while keeping the cost base in its core payments business stable, demonstrating the benefits of scale efficiencies, automation and platform consolidation. The combined effect of revenue growth and a stable cost base reduced the trading loss by a significant 42% on the existing footprint and in local currency.

The 2018 financial year was pivotal in PayU's transformation from a payments business to a broader fintech services business. As part of this process, PayU invested US$99m (and €20m of convertible loan funding) in Kreditech, a credit-scoring business, and US$100m in Remitly, a technology-driven remittance business. These investments are accounted for as associates.

Food delivery
We increased our focus on online food-delivery services with two notable minority investments: firstly, Delivery Hero continues to build its leadership in the more than 42 countries in which it operates and also Swiggy, a leading online food-delivery company in India. In LatAm, iFood continued to grow order volumes, average take rates and customer retention metrics through additional investment, specifically in Brazil.

Cumulative annualised GMV growth for the food-delivery segment was 65% and cumulative annualised order volumes across all three companies rose 65%.

For the year ended December 2017, Delivery Hero increased revenue by 60% to €544m, with order volumes growing 48% to 292m. Swiggy saw healthy increases in revenue and order volumes. iFood more than doubled its revenue to US$117m and recorded order volume growth of 116%.

Tencent

For the year ended 31 December 2017, Tencent's revenues of RMB238bn were up 56% year on year. Non-GAAP profit attributable to shareholders (Tencent's measure of normalised performance) grew 43% to RMB65bn.

Revenues from value-added services (VAS) increased 43% to RMB154bn, with online games revenues growing 38% to RMB98bn and social networks revenue rising 52% to RMB56bn. Online advertising revenues rose 50% to RMB40bn. Other revenues (mainly payments and cloud-services revenue) rose 153% to RMB43bn.

Tencent's Weixin platform strengthened its 'super-app' status, with monthly active users exceeding the 1bn mark in February 2018. The group maintained its leading position in the Chinese online games market and continued to grow its global presence. Tencent's presence in social media and utility products drove healthy growth in advertising revenues from its various platforms. The group extended its leadership in mobile payments in terms of active user accounts and further expanded commercial transactions, with offline transaction volumes more than doubling year on year.

Tencent is increasing its investment in select areas including video, payments, cloud, artificial intelligence technologies and smart retail. The group is enhancing its development and innovation capabilities.

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

Mail.ru

Mail.ru's revenue for the year ended 31 December 2017 was up 34% to RUB57bn. Key drivers were online games and advertising. Mail.ru's two largest games, Warface and War Robots, performed well. The online games division expanded internationally and across new platforms. International revenue accounted for almost half of its online games revenues. Mail.ru's advertising revenues benefited from shifts towards online platforms and social networks. The integration of online food-delivery businesses Delivery Club and ZakaZaka with Mail.ru's social media properties is progressing. In January 2018, Mail.ru announced the acquisition of ESforce, one of the largest esports companies in the world.

More information on Mail.ru's results is available at https://corp.mail.ru/en/investors/.

Video entertainment

Although the macroeconomic environment in sub-Saharan Africa was relatively stable in the second half of the year, the video-entertainment business continues to face challenging conditions. Despite this, it recorded a stable performance, adding just over 1m direct-to-home (DTH) subscribers and 520 000 digital terrestrial television (DTT) subscribers. The total base across Africa stood at 13.5m households at 31 March 2018. The business continued to build on the success of its value strategy to grow the subscriber base and further reduced costs. DTT subscriber growth was supported by a partial analogue switch-off in Zambia and launch of a popular package, GOtv Max, which generated increased average revenue per user from upgrades and new customers.

Revenue for the segment increased 8% (7%) to US$3.7bn and trading profit rose 29% (24%) to US$369m. A stronger South African rand impacted positively. Results were affected by the 25% devaluation of the Nigerian naira and 7% devaluation of the Angolan kwanza over the period. However, losses stabilised.

The focus of the business remains on optimising cost structures and reinvesting for its online future. Through continued efforts to save on content costs and overheads, it reduced operating costs by over US$70m. Sports rights investments included renewing English Premier League, South Africa's Premier Soccer League and UEFA Champions League. Cost savings were partially reinvested in subscriber acquisition, production of local content and scaling Showmax.

Constrained liquidity in Angola and Zimbabwe persists because of limited availability of foreign currency. Liquidity conditions in Nigeria improved significantly during the year, resulting in us being able to remit funds. At 31 March 2018, cash balances and trade receivables of US$131m, held in Angola, Zimbabwe and Mozambique, remain exposed to weakening currencies – this is a 55% reduction on last year's balance.

Media

Most of Media24's interest in the listed South African print business, Novus, was distributed to Naspers shareholders in September 2017, with Media24 retaining a 19% interest and no longer consolidating Novus after the distribution.

Media24 (all figures excluding Novus) produced stable results, with revenue flat year on year at US$374m, against a backdrop of declining revenues from traditional media streams. Investment to scale the segment's growth, particularly in ecommerce and digital media, saw trading losses up 43% (33%) to US$30m. These now account for 17% of total revenue.

PROSPECTS

In the year ahead the group will use its strong balance sheet to accelerate the growth of its classifieds, food-delivery and fintech businesses globally, and to pursue other growth opportunities when they arise. The group will continue to scale the ecommerce and sub-Saharan Africa video-entertainment businesses and drive them closer to profitability. The focus will be on innovation, particularly in the areas of artificial intelligence and machine learning, navigating macroeconomic headwinds and managing costs in mature businesses.

DIVIDEND NUMBER 89

(All figures in South African cents)

The board recommends that the annual gross dividend be increased by 12% to 650 cents (previously 580 cents) per listed N ordinary share and 130 cents (previously 116 cents) per unlisted A ordinary share. If confirmed by shareholders at the annual general meeting on Friday 24 August 2018, dividends will be payable to shareholders recorded in the books on Friday 14 September 2018 and paid on Monday 17 September 2018. The last date to trade cum dividend will be on Tuesday 11 September 2018 (shares trade ex-dividend from Wednesday 12 September 2018). Share certificates may not be dematerialised or rematerialised between Wednesday 12 September 2018 and Friday 14 September 2018, both dates inclusive. The dividend will be declared from income reserves It will be subject to the dividend tax rate of 20%, yielding a net dividend of 520 cents per listed N ordinary share and 104 cents per unlisted A ordinary share to those shareholders not exempt from paying dividend tax. Dividend tax will be 130 cents per listed N ordinary share and 26 cents per unlisted A ordinary share. The issued ordinary share capital as at 22 June 2018 was 438 656 059 N ordinary shares and 907 128 A ordinary shares. The company's income tax reference number is 9550138714.

DIRECTORATE

On 1 April 2018 the group's executive director and chief investment officer, Mark Sorour, retired after more than 20 years with the group. He has been at the forefront of the group's expansion efforts and has led some of its most meaningful transactions. Mark will remain on the board as a non-executive director and his appointment will be proposed for approval by shareholders at the next annual general meeting. He will also continue to serve as a non-executive director on the Mail.ru Group Limited board. The board thanks Mark heartily for his valuable contribution and looks forward to his insights as a non-executive director.

PREPARATION OF THE SUMMARISED CONSOLIDATED FINANCIAL RESULTS

The preparation of the summarised consolidated financial results was supervised by the group's financial director, Basil Sgourdos CA(SA). These results were made public on 22 June 2018.

On behalf of the board

Koos Bekker
Chair

Bob van Dijk
Chief executive

Cape Town
22 June 2018

SUMMARISED CONSOLIDATED INCOME STATEMENT

for the year ended 31 March

	Notes	2018 US$'m	Restated 2017 US$'m	% change
Revenue		6 660	6 098	9
Cost of providing services and sale of goods		(4 025)	(3 574)	
Selling, general and administration expenses		(2 786)	(2 827)	
Other (losses)/gains – net	7	(47)	(57)	
Operating loss		(198)	(360)	45
Interest received	5	88	70	
Interest paid	5	(267)	(278)	
Other finance (costs)/income – net	5	(319)	(899)	
Share of equity-accounted results	6	3 277	1 829	
Impairment of equity-accounted investments		(46)	–	
Dilution gains/(losses) on equity-accounted investments[1]		9 216	(119)	
(Losses)/gains on acquisitions and disposals		(93)	2 169	
Profit before taxation	7	11 658	2 412	>100
Taxation		(360)	(244)	
Profit for the year		11 298	2 168	>100
Attributable to:				
Equity holders of the group		11 357	2 337	
Non-controlling interest		(59)	(169)	
		11 298	2 168	
Core headline earnings for the year (US$'m)	4	2 507	1 454	72
Core headline earnings per N ordinary share (US cents)		581	337	72
Diluted core headline earnings per N ordinary share (US cents)		568	330	72
Headline earnings for the year (US$'m)	4	1 794	188	>100
Headline earnings per N ordinary share (US cents)		416	44	>100
Diluted headline earnings per N ordinary share (US cents)		403	38	>100
Earnings per N ordinary share (US cents)		2 631	542	>100
Diluted earnings per N ordinary share (US cents)		2 612	535	>100
Net number of shares issued ('000)				
– At year-end		432 126	431 540	
– Weighted average for the year		431 635	431 207	
– Diluted weighted average		433 003	432 684	

[1] *Includes the gain recognised on the disposal of a 2% interest in Tencent Holdings Limited (refer to note 11).*

Refer to note 2 for details of the group's change in accounting policy.

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March

	2018 US$'m	Restated 2017 US$'m
Profit for the year[1]	**11 298**	2 168
Total other comprehensive income, net of tax, for the year[2]	**1 742**	1 541
Translation of foreign operations[3]	**996**	322
Net fair value losses	**(4)**	(1)
Cash flow hedges	**(98)**	(85)
Share of other comprehensive income and reserves of equity-accounted investments	**835**	1 293
Tax on other comprehensive income	**13**	12
Total comprehensive income for the year	**13 040**	3 709
Attributable to:		
Equity holders of the group	**13 025**	3 905
Non-controlling interest	**15**	(196)
	13 040	3 709

(1) Includes the gain recognised on the disposal of a 2% interest in Tencent Holdings Limited (refer to note 11).

(2) These components of other comprehensive income may subsequently be reclassified to profit or loss except for gains of US$361m (2017: US$292m) included in the "Share of other comprehensive income and reserves of equity-accounted investments".

(3) The movement on the foreign currency translation reserve for the year relates primarily to the effects of foreign exchange rate fluctuations related to the group's net investments in its foreign operations.

Refer to note 2 for details of the group's change in accounting policy.

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March

	2018 US$'m	Restated 2017 US$'m
Balance at the beginning of the year	13 142	10 654
Change in accounting policy (refer to note 2)	–	(1 504)
Restated balance at the beginning of the year	13 142	9 150
Changes in share capital and premium		
Movement in treasury shares	(64)	(77)
Share capital and premium issued	85	56
Changes in reserves		
Total comprehensive income for the year	13 025	3 905
Movement in share-based compensation reserve	(48)	(376)
Movement in existing control business combination reserve	(195)	16
Direct retained earnings and other movements	125	721
Dividends paid to Naspers shareholders	(262)	(158)
Changes in non-controlling interest		
Total comprehensive income for the year	15	(196)
Dividends paid to non-controlling shareholders	(153)	(116)
Movement in non-controlling interest in reserves	21	217
Balance at the end of the year	25 691	13 142
Comprising:		
Share capital and premium	4 965	4 944
Retained earnings	20 132	8 912
Share-based compensation reserve	1 460	1 147
Existing control business combination reserve	(1 847)	(1 652)
Hedging reserve	(106)	(30)
Valuation reserve	1 679	1 387
Foreign currency translation reserve	(761)	(1 852)
Non-controlling interests	169	286
Total	25 691	13 142

Refer to note 2 for details of the group's change in accounting policy.

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March

		31 March		1 April
			Restated	Restated
	Notes	2018 US$'m	2017 US$'m	2016 US$'m
ASSETS				
Non-current assets		**22 386**	16 291	13 486
Property, plant and equipment		**1 638**	1 638	1 443
Goodwill	8	**2 607**	2 442	2 818
Other intangible assets		**1 143**	1 104	1 190
Investments in associates		**16 666**	10 784	7 625
Investments in joint ventures		**78**	79	218
Other investments and loans		**115**	82	57
Other receivables		**21**	32	20
Derivative financial instruments		**1**	2	–
Deferred taxation		**117**	128	115
Current assets		**13 065**	5 639	3 237
Inventory		**231**	154	194
Programme and film rights		**240**	193	160
Trade receivables		**452**	420	393
Other receivables and loans		**762**	456	491
Derivative financial instruments		**11**	6	59
Cash and cash equivalents		**11 369**	4 007	1 714
		13 065	5 236	3 011
Assets classified as held for sale	10	**–**	403	226
Total assets		**35 451**	21 930	16 723
EQUITY AND LIABILITIES				
Share capital and reserves		**25 522**	12 856	8 771
Share capital and premium		**4 965**	4 944	4 965
Other reserves		**425**	(1 000)	(2 304)
Retained earnings		**20 132**	8 912	6 110
Non-controlling interests		**169**	286	379
Total equity		**25 691**	13 142	9 150
Non-current liabilities		**5 623**	5 349	5 118
Capitalised finance leases		**1 086**	1 142	771
Liabilities – interest bearing		**3 202**	2 198	2 922
– non-interest bearing		**22**	9	8
Other non-current liabilities		**867**	1 708	1 098
Post-employment medical liability		**30**	14	13
Derivative financial instruments		**157**	13	20
Deferred taxation		**259**	265	286
Current liabilities		**4 137**	3 439	2 455
Current portion of long-term debt		**280**	915	227
Trade payables		**564**	487	437
Accrued expenses and other current liabilities		**3 163**	1 844	1 662
Derivative financial instruments		**129**	119	31
Bank overdrafts and call loans		**1**	4	1
		4 137	3 369	2 358
Liabilities classified as held for sale	10	**–**	70	97
Total equity and liabilities		**35 451**	21 930	16 723
Net asset value per N ordinary share (US cents)		**5 906**	2 979	2 035

Refer to note 2 for details of the group's change in accounting policy.

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March

	2018 US$'m	2017 US$'m
Cash flows from operating activities		
Cash generated from operating activities	141	294
Interest income received	81	63
Dividends received from investments and equity-accounted companies	251	193
Interest costs paid	(240)	(257)
Taxation paid	(391)	(333)
Net cash utilised in operating activities	(158)	(40)
Cash flows from investing activities		
Acquisitions and disposals of tangible and intangible assets	(138)	(173)
Acquisitions of subsidiaries, associates and joint ventures	(1 957)	(397)
Disposals of subsidiaries, associates and joint ventures	9 941	3 383
Cash movement in other investments and loans	7	1
Net cash generated from investing activities	7 853	2 814
Cash flows from financing activities		
Proceeds from long- and short-term loans raised	1 124	584
Repayments of long- and short-term loans	(827)	(602)
Outflow from share-based compensation transactions	(22)	(36)
Dividends paid by the holding company and its subsidiaries	(344)	(281)
Other movements resulting from financing activities	(319)	(76)
Net cash utilised in financing activities	(388)	(411)
Net movement in cash and cash equivalents	7 307	2 363
Foreign exchange translation adjustments on cash and cash equivalents	58	(50)
Cash and cash equivalents at the beginning of the year	4 003	1 713
Cash and cash equivalents classified as held for sale	–	(23)
Cash and cash equivalents at the end of the year	11 368	4 003

SEGMENTAL REVIEW

for the year ended 31 March

	Revenue		
	2018 US$'m	2017 US$'m	% change
Internet	15 928	10 621	50
Social and internet platforms	12 281	7 692	60
– Tencent	12 024	7 506	60
– Mail.ru	257	186	38
Ecommerce	3 647	2 929	25
– Etail	2 060	1 659	24
– Travel	276	123	>100
– Marketplaces	–	327	(100)
– Payments	294	186	58
– Classifieds	628	426	47
– Food delivery	166	53	>100
– Other	223	155	44
Video entertainment	3 680	3 401	8
Media[1]	507	588	(14)
Corporate services	3	2	50
Intersegmental	(21)	(50)	58
Economic interest	20 097	14 562	38
Less: Equity-accounted investments	(13 437)	(8 464)	(59)
Consolidated	6 660	6 098	9

	EBITDA[2]		
	2018 US$'m	Restated 2017 US$'m	% change
Internet	3 382	2 282	48
Social and internet platforms	3 997	2 964	35
– Tencent	3 925	2 888	36
– Mail.ru	72	76	(5)
Ecommerce	(615)	(682)	10
– Etail	(248)	(258)	4
– Travel	(59)	(87)	32
– Marketplaces	–	146	(100)
– Payments	(60)	(66)	9
– Classifieds	(99)	(319)	69
– Food delivery	(20)	5	>(100)
– Other	(129)	(103)	(25)
Video entertainment	627	520	21
Media[1]	10	40	(75)
Corporate services	(22)	(14)	(57)
Economic interest	3 997	2 828	41
Less: Equity-accounted investments	(3 739)	(2 756)	(36)
Consolidated	258	72	258

[1] Includes revenue of US$133m (2017: US$222.4m) and EBITDA of US$33.3m (2017: US$55.1m) relating to Novus Holdings Limited (Novus). The group distributed the majority of its shareholding in Novus to its shareholders in September 2017 (refer to note 11).
[2] EBITDA refers to earnings before interest, taxation, depreciation and amortisation.

for the year ended 31 March

	Trading profit		
	2018 US$'m	Restated 2017 US$'m	% change
Internet	**3 053**	2 030	50
Social and internet platforms	**3 726**	2 761	35
– Tencent	**3 675**	2 701	36
– Mail.ru	**51**	60	(15)
Ecommerce	**(673)**	(731)	8
– Etail	**(270)**	(281)	4
– Travel	**(61)**	(88)	31
– Marketplaces	**–**	137	(100)
– Payments	**(64)**	(69)	7
– Classifieds	**(114)**	(328)	65
– Food delivery	**(30)**	5	>(100)
– Other	**(134)**	(107)	(25)
Video entertainment	**369**	287	29
Media[1]	**3**	19	(84)
Corporate services	**(22)**	(14)	(57)
Economic interest	**3 403**	2 322	47
Less: Equity-accounted investments	**(3 444)**	(2 536)	(36)
Consolidated	**(41)**	(214)	81

[1] *Includes trading profit of US$33.3m (2017: US$40.3m) relating to Novus Holdings Limited (Novus). The group distributed the majority of its shareholding in Novus to its shareholders in September 2017 (refer to note 11).*

RECONCILIATION OF CONSOLIDATED TRADING LOSS TO CONSOLIDATED OPERATING LOSS

for the year ended 31 March

	2018 US$'m	2017 US$'m
Consolidated trading loss	**(41)**	(214)
Finance cost on transponder leases	**51**	46
Amortisation of other intangible assets	**(101)**	(99)
Other (losses)/gains – net	**(47)**	(57)
Retention option expense	**(8)**	(1)
Share-based incentives settled in treasury shares	**(52)**	(35)
Consolidated operating loss	**(198)**	(360)

For a reconciliation of consolidated operating loss to consolidated profit before taxation, refer to the summarised consolidated income statement.

1. GENERAL INFORMATION

Naspers Limited (Naspers or the group) is a global internet and entertainment group and one of the largest technology investors in the world. Founded in 1915, we now operate in more than 120 countries and markets with long-term growth potential. Naspers builds leading companies that empower people and enrich communities. It runs some of the world's leading platforms in internet, video entertainment and media.

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The summarised consolidated financial results for the year ended 31 March 2018 are prepared in accordance with the JSE Limited (JSE) Listings Requirements (the JSE Listings Requirements) relevant to summarised financial statements and the provisions of the Companies Act No 71 of 2008. The JSE Listings Requirements require provisional reports to be prepared in accordance with the framework concepts, the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*. The summarised consolidated financial results 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 applied in the preparation of the consolidated annual financial statements from which the summarised consolidated financial results were derived, are consistent with those applied in the previous consolidated annual financial statements, except as set out below.

The group has adopted all new and amended accounting pronouncements issued by the IASB that are effective for financial years commencing 1 April 2017. None of the new or amended accounting pronouncements that are effective for the financial year commencing 1 April 2017 had a material impact on the group.

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

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES (continued)

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

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

Change in accounting policy regarding written put option liabilities

As part of our commitment to build shareholder value and prevent dilution, we indicated recently that we are unlikely to issue Naspers N ordinary shares to settle put option liabilities arising from mergers and acquisitions agreements, employee share option obligations or similar arrangements. Instead, the intention is to settle these items in cash, either through purchases of shares on the market or direct cash settlement.

When investing, we frequently partner with founders who remain in the business as non-controlling shareholders. To provide them with liquidity at a later date, agreements sometimes include put options that require the group to purchase the shares of non-controlling shareholders in future, with the option to settle by issuing Naspers N ordinary shares or in cash. In the past we selected to settle some of these by issuing Naspers N ordinary shares.

The recent change in commercial intent to settle put options in cash rather than Naspers N ordinary shares, has prompted us to reassess our accounting policy to ensure it remains reflective of the underlying settlement expectations. IFRS does not explicitly address accounting for put option liabilities that can be settled by issuing a variable number of an entity's own shares, as evidenced in the IFRS Interpretations Committee November 2016 rejection of this matter. As a result, an accounting policy choice exists – they can either be accounted for as (i) derivative financial instruments (at fair value in terms of IAS 39 *Financial Instruments: Recognition and Measurement* or IFRS 9 *Financial Instruments*), or (ii) as liabilities equal to the amount payable on settlement (in terms of IAS 32 *Financial Instruments: Presentation*).

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES (continued)

Change in accounting policy regarding written put option liabilities (continued)

Up to 30 September 2017, put option liabilities were accounted for as derivative financial instruments given the historic intention to settle in Naspers N ordinary shares. All put option liabilities were measured at a fair value of zero as these options are priced at fair value, consequently there was no impact on the statement of financial position or income statement.

Given the intention to now settle in cash, it is more appropriate to recognise them as liabilities in the statement of financial position, at amounts reflecting the gross cash consideration payable on settlement. Consequently, in accordance with IAS 8, we have changed our accounting policy in this respect. Going forward, all remeasurements of these liabilities will be recognised in the income statement. These remeasurements will be included in headline earnings but excluded from core headline earnings.

The group has applied the change in accounting policy retrospectively and has restated the comparative information presented in these summarised consolidated financial statements for the year ended 31 March 2017. The summarised impact of the change in accounting policy on prior year results is an increase in liabilities of US$2.22bn as at 31 March 2017, as well as the recognition of a remeasurement expense (including foreign exchange translation effects) in the income statement of US$640m for the year ended 31 March 2017.

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES (continued)

Change in accounting policy regarding written put option liabilities (continued)

The impact of the change in accounting policy on the summarised consolidated financial statements is outlined in the extracts that follow.

	31 March		
	Restated 2017 US$'m	Change in accounting policy 2017 US$'m	Previously reported 2017 US$'m
INCOME STATEMENT (extract)			
Other finance (costs)/income – net	(899)	(640)	(259)
Profit before taxation	2 412	(640)	3 052
Taxation	(244)	–	(244)
Profit for the year	2 168	(640)	2 808
Attributable to:			
Equity holders of the group	2 337	(584)	2 921
Non-controlling interests	(169)	(56)	(113)
	2 168	(640)	2 808
Earnings per N ordinary share (US cents)			
Basic	542	(135)	677
Diluted	535	(135)	670
Headline earnings per N ordinary share (US cents)			
Basic	44	(135)	179
Diluted	38	(135)	173
STATEMENT OF COMPREHENSIVE INCOME (extract)			
Profit for the year	2 168	(640)	2 808
Other comprehensive income for the year	1 541	(4)	1 545
Total comprehensive income for the year	3 709	(644)	4 353
Attributable to:			
Equity holders of the group	3 905	(587)	4 492
Non-controlling interests	(196)	(57)	(139)
	3 709	(644)	4 353

The group's change in accounting policy regarding put options had no impact on core headline earnings.

2. **BASIS OF PRESENTATION AND ACCOUNTING POLICIES** (continued)

Change in accounting policy regarding written put option liabilities (continued)

The impact of the change in accounting policy on the summarised consolidated annual financial statements is outlined in the extracts that follow.

	31 March			1 April		
	Restated 2017 US$'m	Change in accounting policy 2017 US$'m	Previously reported 2017 US$'m	**Restated 2016 US$'m**	Change in accounting policy 2016 US$'m	Previously reported 2016 US$'m
STATEMENT OF FINANCIAL POSITION (extract)						
EQUITY AND LIABILITIES						
Capital and reserves attributable to the group's equity holders	**12 856**	(2 102)	14 958	**8 771**	(1 483)	10 254
Share capital and premium	**4 944**	–	4 944	**4 965**	–	4 965
Other reserves	**(1 000)**	(1 518)	518	**(2 304)**	(1 483)	(821)
Retained earnings	**8 912**	(584)	9 496	**6 110**	–	6 110
Non-controlling interests	**286**	(117)	403	**379**	(21)	400
TOTAL EQUITY	**13 142**	(2 219)	15 361	**9 150**	(1 504)	10 654
Non-current liabilities (subtotal)	**5 349**	1 708	3 641	**5 118**	1 095	4 023
Other non-current liabilities	**1 708**	1 708	–	**1 098**	1 095	3
Current liabilities (subtotal)	**3 439**	511	2 928	**2 455**	409	2 046
Accrued expenses and other current liabilities	**1 768**	511	1 257	**1 595**	409	1 186
TOTAL EQUITY AND LIABILITIES	**21 930**	–	21 930	**16 723**	–	16 723

Change in calculation of trading profit and core headline earnings

The group is required to calculate and present headline earnings (and the related basic and diluted per-share equivalents) in terms of the JSE Listings Requirements. Headline earnings represent an earnings metric that is intended to provide a like-for-like basis on which the earnings of entities can be compared.

In addition to headline earnings, we also calculate and present trading profit and core headline earnings. These are non-IFRS, Naspers-defined metrics and are presented as additional information to shareholders as we consider them more reflective of our operating performance. In arriving at core headline earnings, adjustments are made to the earnings of consolidated businesses, as well as the underlying earnings of associates and joint ventures, to the extent that the information is available.

Ensuring that core headline earnings remains reflective of our future potential operating performance, a review of the items adjusted for in the calculation is required as circumstances change.

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES (continued)

Change in calculation of trading profit and core headline earnings (continued)

We have historically adjusted core headline earnings for all amortisation expenses, excluding software, as these expenses have primarily related to intangible assets resulting from business combinations and other acquisitions. These expenses are not considered operational in nature.

Our associate Tencent has, in recent years, made a strategic decision to develop a number of digital content offerings (including video and music), with significant success. Consequently, content acquired now represents a meaningful part of the overall cost base for the digital content business, resulting in an increase in intangible assets and related amortisation expenses. As a result of this development, we considered it prudent to refine the treatment of amortisation within the core headline earnings calculation and to now include the digital-content element of Tencent's amortisation expenses in core headline earnings. Only amortisation related to intangible assets identified in business combinations and other acquisitions continues to be adjusted for in the core headline earnings calculation. The effect is to adjust core headline earnings downward from US$1.8bn to US$1.5bn for the year ended 31 March 2017 (refer to note 4).

IFRS 8 *Operating Segments* requires segmental reporting to reflect the manner in which financial information is communicated internally to management. We therefore report trading profit on an economic-interest basis (ie including a proportionate consolidation of the trading profits of associates and joint ventures) in the segmental review which, similar to core headline earnings, excludes amortisation expenses on certain intangible assets. For the reasons outlined above, we will similarly no longer adjust trading profit to exclude the amortisation expenses recognised by Tencent on its digital content. The effect is to adjust trading profit downward from US$2.7bn to US$2.3bn for the year ended 31 March 2017. Consolidated trading profit is unaffected by this change.

To ensure comparability between reporting periods, we have updated the comparative information for trading profit and core headline earnings (including basic and diluted per-share equivalents) in these summarised consolidated financial statements. The change to trading profit and core headline earnings had no impact on the group's statement of financial position and income statement presented in accordance with IFRS.

3. INDEPENDENT AUDIT

The summarised consolidated financial results have been audited by the company's auditor, PricewaterhouseCoopers Inc. (PwC). The individual auditor assigned to perform the audit is Brendan Deegan. PwC's unqualified audit reports on the consolidated annual financial statements and the summarised consolidated financial results are available for inspection at the registered office of the company. The auditor's report does not necessarily cover all the information contained in the summarised financial results. Shareholders are therefore advised that, in order to obtain a full understanding of the nature of the auditor's work, they should obtain a copy of that report, together with the consolidated annual financial statements from the registered office of the company. These documents will be available from the company's registered office from 22 June 2018. The consolidated annual financial statements, together with the integrated annual report, will be available on **www.naspers.com** on or about 20 July 2018.

for the year ended 31 March

4. HEADLINE AND CORE HEADLINE EARNINGS

	2018 US$'m	Restated 2017 US$'m
Net profit attributable to shareholders	**11 357**	2 337
Adjusted for:		
– impairment of property, plant and equipment and other assets	**39**	26
– impairment of goodwill and other intangible assets	**4**	28
– (profit)/loss on sale of assets	**(1)**	1
– loss on remeasurement of disposal groups classified as held for sale to fair value less costs of disposal	**–**	2
– losses/(gains) on acquisitions and disposals of investments	**95**	(2 219)
– remeasurement of previously held interest	**(21)**	–
– dilution (gains)/losses on equity-accounted investments(1)	**(9 216)**	119
– remeasurements included in equity-accounted earnings	**(524)**	(102)
– impairment of equity-accounted investments	**46**	–
	1 779	192
Total tax effects of adjustments	**18**	(17)
Total adjustment for non-controlling interest	**(3)**	13
Headline earnings	**1 794**	188
Adjusted for:		
– equity-settled share-based payment expenses	**435**	296
– amortisation of other intangible assets(2)	**190**	169
– fair-value adjustments and currency translation differences(3)	**60**	756
– retention option expense	**8**	1
– business combination related losses	**20**	44
Core headline earnings	**2 507**	1 454

(1) *Includes the gain recognised on the disposal of a 2% interest in Tencent Holdings Limited (refer to note 11).*

(2) *Refer to note 2 for details of the group's change in calculation of core headline earnings. Amortisation of other intangible assets for the year ended 31 March 2017 has been adjusted to include amortisation expenses of US$298m regarding Tencent's digital content business.*

(3) *Refer to note 2 for details of the group's change in accounting policy. Fair-value adjustments and currency translation differences for the year ended 31 March 2017 has been adjusted by US$584m for the impact of remeasurements of written put options.*

The diluted earnings, headline earnings and core headline earnings per share figures presented on the face of the income statement include a decrease of US$49m (2017: US$24m) relating to the future dilutive impact of potential ordinary shares issued by equity-accounted investees and subsidiaries.

for the year ended 31 March

5. INTEREST (PAID)/RECEIVED

	2018 US$'m	Restated 2017 US$'m
Interest received	**88**	70
– loans and bank accounts	**74**	56
– other	**14**	14
Interest paid	**(267)**	(278)
– loans and overdrafts	**(196)**	(198)
– transponder leases	**(51)**	(46)
– other	**(20)**	(34)
Other finance (cost)/income – net	**(319)**	(899)
– net foreign exchange differences and fair-value adjustments on derivatives	**(67)**	(277)
– remeasurement of written put option liabilities	**(252)**	(622)

Refer to note 2 for details of the group's change in accounting policy.

6. EQUITY-ACCOUNTED RESULTS

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

	2018 US$'m	Restated 2017 US$'m
Share of equity-accounted results	**3 277**	1 829
– sale of assets	**1**	3
– disposal of investments	**(692)**	(381)
– impairment of investments	**159**	268
Contribution to headline earnings	**2 745**	1 719
– amortisation of other intangible assets	**135**	106
– equity-settled share-based payment expenses	**385**	268
– fair-value adjustments and currency translation differences	**(224)**	–
Contribution to core headline earnings	**3 041**	2 093
Tencent	**3 288**	2 237
Mail.ru	**37**	52
MakeMyTrip	**(76)**	–
Delivery Hero	**(21)**	–
Other	**(187)**	(196)

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

for the year ended 31 March

7. PROFIT BEFORE TAXATION

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

	2018 US$'m	2017 US$'m
Depreciation of property, plant and equipment	**219**	214
Amortisation	**133**	128
– other intangible assets	**101**	99
– software	**32**	29
Costs related to programme and film rights, including amortisation	**912**	859
Net realisable value adjustments on inventory, net of reversals[1]	**48**	51
Other (losses)/gains – net	**(47)**	(57)
– gain/(loss) on sale of assets	**2**	(1)
– impairment of goodwill and other intangible assets	**(4)**	(30)
– impairment of property, plant and equipment and other assets	**(39)**	(26)
– remeasurement of disposal groups classified as held for sale to fair value less costs of disposal	**–**	(2)
– dividends received on investments	**2**	1
– fair-value adjustments on financial instruments	**(6)**	1
– other	**(2)**	–
(Losses)/gains on acquisitions and disposals	**(93)**	2 169
– (loss)/profit on sale of investments	**(91)**	1 990
– gains recognised on loss of control transactions	**–**	228
– remeasurement of contingent consideration	**(5)**	1
– acquisition-related costs	**(18)**	(50)
– remeasurement of previously held interest	**21**	–

[1] *Net realisable value write-downs relate primarily to set-top box subsidies in the video-entertainment segment.*

8. GOODWILL

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

	2018 US$'m	2017 US$'m
Goodwill		
– cost	2 790	3 175
– accumulated impairment	(348)	(357)
Opening balance	2 442	2 818
– foreign currency translation effects	41	210
– acquisitions of subsidiaries and businesses	124	244
– disposals of subsidiaries and businesses	–	(786)
– transferred to assets classified as held for sale	–	(37)
– impairment	–	(5)
– remeasurement to fair value less costs of disposal	–	(2)
Closing balance	2 607	2 442
– cost	2 961	2 790
– accumulated impairment	(354)	(348)

9. 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.

	2018 US$'m	2017 US$'m
Commitments	3 537	2 464
– capital expenditure	17	13
– programme and film rights	2 906	2 015
– network and other service commitments	104	158
– operating lease commitments	327	163
– set-top box commitments	183	115

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$226.1m (2017: US$256.7m). No provision has been made as at 31 March 2018 and 2017 for these possible exposures.

10. DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE

During the year ended 31 March 2017 the group announced the unbundling of the majority of its shareholding in its subsidiary Novus Holdings Limited (Novus), operating in the print industry in South Africa. The assets and liabilities of Novus were classified as held for distribution as at 31 March 2017. In August 2017 the group received regulatory approval for the unbundling which was finalised during September 2017. Refer to note 11 for further details.

In May 2017 the group concluded the disposal of its joint venture Souq Group Limited (Souq), following the receipt of regulatory approval. Souq was classified as held for sale as at 31 March 2017. Refer to note 11 for further details.

The group also concluded the disposals of various other smaller units of which the assets and liabilities were classified as held for sale as at 31 March 2017.

The group had no assets and liabilities classified as held for sale as at 31 March 2018. Assets and liabilities classified as held for sale in prior periods are detailed in the following table:

	2018 US$'m	2017 US$'m
Assets	–	403
Property, plant and equipment	–	176
Goodwill and other intangible assets	–	35
Investment in joint venture	–	102
Deferred taxation assets	–	7
Inventory	–	26
Trade and other receivables	–	34
Cash and cash equivalents	–	23
Liabilities	–	70
Deferred taxation liabilities	–	19
Long-term liabilities	–	6
Trade payables	–	18
Accrued expenses and other current liabilities	–	27

The group recognised a loss of US$nil (2017: US$1.6m) as part of "Other (losses)/gains – net" in the income statement on remeasuring the net assets of businesses classified as held for sale to their fair value less costs of disposal during the year. The fair value of the businesses was determined based on third-party sales prices. This represents a level 3 fair-value measurement.

11. BUSINESS COMBINATIONS, OTHER ACQUISITIONS AND DISPOSALS

In August 2017 the group invested US$74m to acquire a controlling interest in its associate Takealot Online (RF) Proprietary Limited (Takealot), the leading etailer in South Africa. Following the investment, the group held a 58% effective interest in Takealot. The transaction was accounted for as a business combination with an effective date of August 2017. The total purchase consideration amounted to US$123m representing the fair value of the group's previously held equity interest in Takealot. A gain of US$20m has been recognised in "(Losses)/gains on acquisitions and disposals" in the income statement on the remeasurement of the group's previously held equity interest in Takealot to its fair value. The US$74m cash invested remains within the group following the transaction and is accordingly not disclosed as part of the consideration transferred by the group or assets of Takealot acquired, although it did affect the amount of goodwill recognised in the business combination. The purchase price allocation: property, plant and equipment US$13m; cash and deposits US$105m; inventories US$28m; trade and other receivables US$4m; intangible assets US$107m; trade and other payables US$27m; deferred tax liabilities US$30m; and the balance of US$81m to goodwill. The main classes of intangible assets recognised in the business combination were trade names and brands, customer relationships and technology. The transaction gave rise to the recognition of non-controlling interest of US$83m, which has been measured at the non-controlling interest's proportionate share of the identifiable net assets of Takealot as at the acquisition date.

In December 2017 the group acquired an additional 38% interest in Takealot from non-controlling shareholders. The transaction was settled in Naspers N ordinary shares, purchased on the open market, with a fair value of US$128m on settlement date. The excess of the consideration transferred over the net asset value acquired was recognised in the "Existing control business combination reserve" in equity and totalled US$65m. An amount of US$4m was recognised in the valuation reserve being the difference between the fair value and acquisition cost of the shares transferred. Following the transaction, the group holds a 96% effective interest (91% fully diluted) in Takealot.

In November 2017 the group invested US$41m to acquire a 100% effective interest in The Car Trader Proprietary Limited (AutoTrader), an online automobile classifieds vertical in South Africa. The transaction was accounted for as a business combination with an effective date of November 2017. The total purchase consideration amounted to US$41m. The purchase price allocation: property, plant and equipment US$1m; cash and deposits US$3m; trade and other receivables US$1m; intangible assets US$27m; trade and other payables US$4m; loan liabilities US$14m; deferred tax liabilities US$8m; and the balance of US$35m to goodwill. The main classes of intangible assets recognised in the business combination were brands, customer relationships and technology.

Since the acquisition dates of the above business combinations, revenue of US$195m and net results (losses) of US$41m have been included in the income statement relating to Takealot and AutoTrader. Had the revenue and net results of Takealot and AutoTrader been included from 1 April 2017 group revenue and net profit would have amounted to US$6.75bn and US$11.26bn respectively.

The main factor contributing to the goodwill recognised in the acquisitions is the acquirees' market presence. The goodwill that arose is not expected to be deductible for income tax purposes. Total acquisition-related costs of US$3m were recorded in "(Losses)/gains on acquisitions and disposals" in the income statement regarding the above-mentioned acquisitions.

11. BUSINESS COMBINATIONS, OTHER ACQUISITIONS AND DISPOSALS (continued)

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

The group made various investments in Delivery Hero AG (Delivery Hero), a global online food-ordering and delivery marketplace, during the year. In May 2017 the group acquired its initial interest in Delivery Hero through an investment of US$426m. On 30 June 2017 Delivery Hero successfully completed an initial public offering of its shares, a process during which the group invested a further US$47m. Following these investments, the group held an 11% effective interest (10% fully diluted) in Delivery Hero. In December 2017 the group invested an additional US$47m as part of a private placement in order to maintain its relative shareholding. During March 2018 following the receipt of regulatory approval, the group acquired Rocket Internet SE's interest in Delivery Hero for US$778m. The group's aggregate investment in Delivery Hero therefore amounts to US$1.3bn over the reporting period. Following the acquisition from Rocket Internet SE, the group holds a 23% effective interest (22% fully diluted) in Delivery Hero. The group accounts for its interest in Delivery Hero as an investment in an associate.

The group made two investments during June 2017 and February 2018 amounting to US$121m in total, in Bundl Technologies Private Limited (Swiggy), the operator of a first-party food-delivery marketplace in India. Following these investments, the group holds a 22% effective interest (21% fully diluted) in Swiggy. The group accounts for its interest in Swiggy as an investment in an associate.

In May 2017 the group invested US$99m in Kreditech Holding SSL GmbH (Kreditech), a provider of consumer lending and financial services. The group has also provided convertible loan funding of €20m to Kreditech. Following the investment, the group holds a 38% effective interest (31% fully diluted) in Kreditech. The group accounts for its interest in Kreditech as an investment in an associate.

During May 2017 the group invested US$132m in its associate MakeMyTrip Limited (MakeMyTrip) as part of a funding round. In August and September 2017, following MakeMyTrip's issue of share options to its employees, the group invested US$23m to maintain its relative shareholding. Following these transactions, the group holds a 43% effective interest (40% fully diluted) in MakeMyTrip.

The group invested US$71m for an additional interest in its associate Flipkart Limited (Flipkart) in April 2017. The additional interest was acquired from existing shareholders of Flipkart. Flipkart undertook various funding rounds during the year in which the group did not participate. These funding rounds resulted in a dilution of the group's interest in Flipkart and in the recognition of an aggregate net dilution gain of US$252m in "Dilution gains/(losses) on equity-accounted investments" in the income statement. Following the dilutions, the group holds a 12% effective interest (11% fully diluted) in Flipkart.

In November 2017 the group invested US$100m in Remitly, Inc. (Remitly), a global digital money-transfer service. The investment resulted in the group acquiring a 23% effective interest (20% fully diluted) in Remitly. The group accounts for its interest in Remitly as an investment in an associate.

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

During May 2017 the group disposed of its investment in its joint venture Souq Group Limited for a consideration of US$173m. A gain on disposal of US$89m has been recognised in "(Losses)/gains on acquisitions and disposals" in the income statement following the transaction.

11. BUSINESS COMBINATIONS, OTHER ACQUISITIONS AND DISPOSALS (continued)

In September 2017 following the receipt of regulatory approval, the group distributed the majority of its shareholding in Novus Holdings Limited (Novus) to its shareholders. The group recognised the distribution as an in specie dividend, reducing retained earnings by US$69m, being the fair value of the distributed Novus shares. A loss on disposal of US$145m has been recognised in "(Losses)/gains on acquisitions and disposals" in the income statement following the distribution, being the difference between the fair value of the distributed Novus shares and the book value of the assets distributed as well as the reclassification of reserves of US$112m. After the distribution, the group holds a 19% interest in Novus and accounts for this interest as an available-for-sale investment.

During February 2018 the group disposed of its investment in its joint venture Konga Online Shopping Limited. A loss on disposal of US$38m, representing the reclassification of the group's foreign currency translation reserve from other comprehensive income to the income statement, has been recognised in "(Losses)/gains on acquisitions and disposals".

In March 2018 the group disposed of approximately 6% of its interest in its associate, Tencent Holdings Limited (Tencent). The disposal was executed by way of an accelerated offering by private placement on the Hong Kong Stock Exchange for a cash consideration of US$9.76bn. The disposal reduced the group's shareholding from 33.17% to 31.17%. A dilution gain of US$9.1bn has been recognised in "Dilution gains/(losses) on equity-accounted investments" following the transaction, resulting in a cumulative net dilution gain of US$8.98bn for the year on the group's investment in Tencent.

12. ISSUE OF LISTED BOND

The group issued a 10-year US$1.0bn international bond in July 2017. The bond matures in July 2027 and carries a fixed interest rate of 4.85% per annum. The proceeds were partially utilised to repay the group's US$700m international bond which matured in July 2017. The remaining proceeds will be utilised for general corporate purposes, including acquisitions.

13. FINANCIAL INSTRUMENTS

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 31 March 2018 using:		
	Quoted prices in active markets for identical assets or liabilities (level 1) US$'m	Significant other observable inputs (level 2) US$'m	Significant unobservable inputs (level 3) US$'m
Assets			
Available-for-sale investments	33	2	–
Forward exchange contracts	–	9	–
Derivatives embedded in leases	–	–	1
Currency devaluation features	–	–	2
Liabilities			
Forward exchange contracts	–	162	–
Earn-out obligations	–	–	58
Interest rate and cross-currency swaps	–	124	–

13. FINANCIAL INSTRUMENTS (continued)

	Fair-value measurements at 31 March 2017 using:		
	Quoted prices in active markets for identical assets or liabilities (level 1) US$'m	Significant other observable inputs (level 2) US$'m	Significant unobservable inputs (level 3) US$'m
Assets			
Available-for-sale investments	11	2	–
Forward exchange contracts	–	2	–
Currency devaluation features	–	–	6
Liabilities			
Forward exchange contracts	–	106	–
Shareholders' liabilities	–	–	18
Earn-out obligations	–	–	24
Interest rate swaps	–	8	–

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

Currency devaluation features relate to clauses in content acquisition agreements that provide the group with protection against significant currency devaluations. The fair value of currency devaluation features is measured through the use of discounted cash flow techniques.

For earn-out obligations, current forecasts of the extent to which management believes performance criteria will be met, discount rates reflecting the time value of money and contractually specified earn-out payments are used. Changes in these assumptions could affect the reported fair value of these financial instruments.

The fair value of level 2 financial instruments is determined with the use of exchange rates quoted in active markets and interest rate extracts from observable yield curves.

Financial instruments for which fair value is disclosed:

	Carrying value US$'m	Fair value US$'m
31 March 2018		
Financial liabilities		
Capitalised finance leases	**1 158**	**1 125**
Publicly traded bonds	**3 200**	**3 357**
31 March 2017		
Financial liabilities		
Capitalised finance leases[1]	1 211	1 199
Publicly traded bonds	2 900	3 041

[1] *Includes financial liabilities classified as held for sale.*

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

14. RELATED PARTY TRANSACTIONS AND BALANCES

The group entered into various related party transactions in the ordinary course of business. There have been no significant changes in related party transactions and balances since the previous reporting period.

15. EVENTS AFTER THE REPORTING PERIOD

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

In May 2018 the group announced the sale of its interest in Flipkart Limited – its equity-accounted etail investment in India – to US-based retailer Walmart Inc. for US$2.2bn. The transaction is subject to regulatory approval.

In May 2018 the group invested US$35m for a 16% effective interest in Honor Technology Inc., a first-of-its-kind home care company providing in-home senior care.

In May 2018 the group invested US$89m for a 36% effective interest in FCG Germany GmbH (Frontier Car Group), an online car marketplace headquartered in Berlin.

In June 2018 the group committed to an investment of US$80m in its associate, Bundl Technologies Private Limited (Swiggy), the operator of a first-party food-delivery marketplace in India. Following this investment, the group will hold a 24% effective interest (23% fully diluted) in Swiggy.

16. PRO FORMA FINANCIAL INFORMATION

The group has presented certain revenue and trading profit metrics in local currency, excluding the effects of changes in the composition of the group (the pro forma financial information) in the following tables. The pro forma financial information is the responsibility of the board of directors (the board) of Naspers Limited and is presented for illustrative purposes. Information presented on a pro forma basis has been extracted from the group's management accounts, the quality of which the board is satisfied with.

Shareholders are advised that, due to the nature of the pro forma financial information and the fact that it has been extracted from the group's management accounts, it may not fairly present the group's financial position, changes in equity, results of operations or cash flows.

The pro forma financial information has been prepared to illustrate the impact of changes in foreign exchange rates and changes in the composition of the group on its results for the period ended 31 March 2018. The following methodology was applied in calculating the pro forma financial information:

1. Foreign exchange/constant currency adjustments have been calculated by adjusting the current period's results to the prior period's average foreign exchange rates, determined as the average of the monthly exchange rates for that period. The local currency financial information quoted is calculated as the constant currency results, arrived at using the methodology outlined above, compared to the prior period's actual IFRS results. The relevant average exchange rates (relative to the US dollar) used for the group's most significant functional currencies, were South African rand (2018: 0.0774; 2017: 0.0713); Polish zloty (2018: 0.2794; 2017: 0.2516); Russian rouble (2018: 0.0173; 2017: 0.0159); Chinese yuan renminbi (2018: 0.1517; 2017: 0.1483); Indian rupee (2018: 0.0155; 2017: 0.0149); Brazilian real (2018: 0.3097; 2017: 0.3061); and Nigerian naira (2018: 0.0028; 2017: 0.0035).

16. PRO FORMA FINANCIAL INFORMATION (continued)

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

Year ended 31 March 2018

Transaction	Basis of accounting	Reportable segment	Acquisition/ Disposal
Dilution of the group's interest in Tencent	Associate	Social and internet platforms	Disposal
Dilution of the group's interest in Mail.ru	Associate	Social and internet platforms	Disposal
Dilution of the group's interest in Flipkart	Associate	Ecommerce	Disposal
Acquisition of the group's interest in Kreditech	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Delivery Hero	Associate	Ecommerce	Acquisition
Effect of merger of ibibo with MakeMyTrip	Associate	Ecommerce	Acquisition and disposal
Disposal of the group's interest in Souq	Joint venture	Ecommerce	Disposal
Acquisition of the group's interest in Takealot	Subsidiary	Ecommerce	Acquisition
Acquisition of the group's interest in AutoTrader	Subsidiary	Ecommerce	Acquisition
Disposal of the group's interest in Netretail	Subsidiary	Ecommerce	Disposal
Disposal of the group's interest in Allegro and Ceneo	Subsidiary	Ecommerce	Disposal
Disposal of the group's interest in Novus	Subsidiary	Media	Disposal

The net adjustment made for all acquisitions and disposals that took place during the year ended 31 March 2018 amounted to a negative adjustment of US$508m on revenue and a negative adjustment of US$181m on trading profit.

An assurance report issued in respect of the pro forma financial information, by the group's external auditor, is available at the registered office of the company.

16. PRO FORMA FINANCIAL INFORMATION (continued)

The adjustments to the amounts, reported in terms of IFRS, that have been made in arriving at the pro forma financial information are presented in the table below:

	Year ended 31 March							
	2017 A	2018 B	2018 C	2018 D	2018 E	2018 F[2]	2018 G[3]	2018 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
Revenue								
Internet	10 621	(608)	295	511	5 109	15 928	51	50
Social and internet platforms	7 692	(45)	23	361	4 250	12 281	56	60
– Tencent	7 506	(40)	–	341	4 217	12 024	56	60
– Mail.ru	186	(5)	23	20	33	257	18	38
Ecommerce	2 929	(563)	272	150	859	3 647	36	25
– Etail	1 659	(338)	167	97	475	2 060	36	24
– Travel	123	120	(20)	2	51	276	21	>100
– Marketplaces	327	(327)	–	–	–	–	–	(100)
– Payments	186	(8)	39	11	66	294	37	58
– Classifieds	426	–	14	38	150	628	35	47
– Food delivery	53	–	49	–	64	166	>100	>100
– Other	155	(10)	23	2	53	223	37	44
Video entertainment	3 401	(73)	1	119	232	3 680	7	8
Media	588	(123)	–	37	5	507	1	(14)
Corporate services	2	–	–	–	1	3	50	50
Intersegmental	(50)	–	–	(1)	30	(21)	60	58
Economic interest	14 562	(804)	296	666	5 377	20 097	39	38

[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.*

16. PRO FORMA FINANCIAL INFORMATION (continued)

	Year ended 31 March							
	2017 A	2018 B	2018 C	2018 D	2018 E	2018 F[2]	2018 G[3]	2018 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
Trading profit								
Internet	2 030	(79)	(90)	102	1 090	3 053	56	50
Social and internet platforms	2 761	(17)	(7)	92	897	3 726	33	35
– Tencent[5]	2 701	(15)	–	87	902	3 675	34	36
– Mail.ru	60	(2)	(7)	5	(5)	51	(9)	(15)
Ecommerce	(731)	(62)	(83)	10	193	(673)	24	8
– Etail	(281)	79	(39)	(8)	(21)	(270)	(10)	4
– Travel	(88)	6	4	–	17	(61)	21	31
– Marketplaces	137	(137)	–	–	–	–	–	(100)
– Payments	(69)	(9)	(17)	(2)	33	(64)	42	7
– Classifieds	(328)	–	1	18	195	(114)	59	65
– Food delivery	5	–	(23)	1	(13)	(30)	>(100)	>(100)
– Other	(107)	(1)	(9)	1	(18)	(134)	(17)	(25)
Video entertainment	287	(2)	–	17	67	369	24	29
Media	19	(18)	8	–	(6)	3	>(100)	(84)
Corporate services	(14)	–	–	(4)	(4)	(22)	(29)	(57)
Economic interest	2 322	(99)	(82)	115	1 147	3 403	52	47

(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.*
(5) *Refer to note 2 for details of the group's change in calculation of trading profit.*

	2017 A	2018 B	2018 C	2018 D	2018 E	2018 F[1]	2018 G[2]	2018 H[3]
	Year ended 31 March							
	IFRS US$'m	Group composition disposal adjustment US$'m	Group composition acquisition adjustment US$'m	Foreign currency adjustment US$'m	Local currency growth US$'m	IFRS US$'m	Local currency growth % change	IFRS % change
Other metrics reported								
Development spend								
– economic interest	1 084	(15)	–	18	(131)	956	(12)	(12)
– consolidated	861	(85)	–	15	(122)	669	(17)	(22)
Consolidated revenue	6 098	(780)	287	268	787	6 660	15	9
Consolidated ecommerce revenue	2 173	(586)	286	114	511	2 498	32	15
Consolidated trading loss	(214)	(34)	(51)	31	227	(41)	(92)	(81)
Avito revenue	204	–	–	22	58	284	28	39

[1] *A + B + C + D + E.*
[2] *[E/(A+B)] x 100.*
[3] *[(F/A) – 1] x 100.*

Core headline earnings, calculated in local currency terms, amounted to US$2.42bn.

Development spend is not an IFRS measure and has therefore been excluded from the assurance report issued by the group's external auditor.

INDEPENDENT AUDITOR'S REPORT

on the summary consolidated financial statements

TO THE SHAREHOLDERS OF NASPERS LIMITED

OPINION

The summary consolidated financial statements of Naspers Limited, contained in the accompanying provisional report, which comprise the summary consolidated statement of financial position as at 31 March 2018, the summary consolidated income statement and summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Naspers Limited for the year ended 31 March 2018.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, as set out in note 2 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 22 June 2018. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

DIRECTORS' RESPONSIBILITY FOR THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, set out in note 2 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Inc.
Director: Brendan Deegan
Registered Auditor

Cape Town
22 June 2018

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Chief Executive Officer: T D Shango

Management Committee: S N Madikane, J S Masondo, P J Mothibe, C Richardson, F Tonelli, C Volschenk
The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.

Reg. no. 1998/012055/21, VAT reg. no. 4950174682

Naspers Limited (Registration number: 1925/001431/06)
JSE share code: NPN ISIN: ZAE000015889
LSE ADS code: NPSN ISIN: US 6315122092

DIRECTORS
J P Bekker (chair), B van Dijk (chief executive), E M Choi, H J du Toit, C L Enenstein, D G Eriksson, R C C Jafta, F L N Letele, G Liu, 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

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G Kisbey-Green

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SPONSOR
Investec Bank Limited

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

IMPORTANT INFORMATION
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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