NASPERS

Annual financial statements
for the year ended 31 March 2017

CONNECTING PEOPLE GLOBALLY

Statement of responsibility by the board of directors

for the year ended 31 March 2017

The annual financial statements of the group and the company are the responsibility of the directors of Naspers Limited. In discharging this responsibility, they rely on the management of the group to prepare the consolidated and separate annual financial statements presented on pages 21 to 157 in accordance with International Financial Reporting Standards (IFRS) and the Companies Act No 71 of 2008. As such, the consolidated and separate annual financial statements include amounts based on judgements and estimates made by management. The information given is comprehensive and presented in a responsible manner.

The directors accept responsibility for the preparation, integrity and fair presentation of the consolidated and separate annual financial statements and are satisfied that the systems and internal financial controls implemented by management are effective.

The directors believe that the group and company have adequate resources to continue operations as a going concern in the foreseeable future, based on forecasts and available cash resources. The financial statements support the viability of the group and the company. The preparation of the consolidated and separate annual financial statements was supervised by the group's financial director Basil Sgourdos, CA(SA). These results were made public on 23 June 2017.

The independent auditing firm PricewaterhouseCoopers Inc., which was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board, has audited the consolidated and separate annual financial statements. The directors believe that all representations made to the independent auditors during their audit were valid and appropriate. PricewaterhouseCoopers Inc.'s audit report is presented on page 13.

The consolidated and separate annual financial statements were approved by the board of directors on 23 June 2017 and are signed on its behalf by:

Koos Bekker

Chair

Bob van Dijk

Chief executive

Certificate by the company secretary

In terms of section 88(2)(e) of the Companies Act No 71 of 2008 I, Gillian Kisbey-Green, in my capacity as company secretary of Naspers Limited, confirm that for the year ended 31 March 2017, the company has lodged with the Companies and Intellectual Property Commission, all such returns as are required of a public company in terms of the Companies Act and that all such returns and notices are, to the best of my knowledge, true, correct and up to date.

Gillian Kisbey-Green
Company secretary
23 June 2017

Report of the audit committee

for the year ended 31 March 2017

The audit committee submits this report, as required by section 94 of the South African Companies Act No 71 of 2008 (the Act).

FUNCTIONS OF THE AUDIT COMMITTEE

The audit committee has adopted formal terms of reference, delegated by the board of directors, as set out in its audit committee charter.

The audit committee has discharged the functions in terms of its charter and ascribed to it in terms of the Act as follows:

- Reviewed the interim, provisional, annual financial statements and integrated annual report, culminating in a recommendation to the board to adopt them. In the course of its review the committee:
  - took appropriate steps to ensure the financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Act;
  - considered and, when appropriate, made recommendations on internal financial controls;
  - dealt with concerns or complaints on accounting policies, internal audit, the auditing or content of annual financial statements, and internal financial controls; and
  - reviewed legal matters that could have a significant impact on the organisation's financial statements.
- Reviewed external audit reports on the consolidated and separate annual financial statements.
- Reviewed the board-approved internal audit charter.
- Reviewed and approved the internal and external audit plans.
- Reviewed internal audit and risk management reports and, where relevant, made recommendations to the board.
- Evaluated the effectiveness of risk management, controls and governance processes.
- Verified the independence of the external auditor, nominated PricewaterhouseCoopers Inc. as auditor for 2017 and noted the appointment of Brendan Deegan as the designated auditor.
- Approved audit fees and engagement terms of the external auditor.
- Determined the nature and extent of allowable non-audit services and approved contract terms for non-audit services by the external auditor.
- Reviewed the JSE Limited's report on the proactive monitoring of financial statements.

MEMBERS OF THE AUDIT COMMITTEE AND ATTENDANCE AT MEETINGS

The audit committee consists of the independent non-executive directors listed below and meets at least three times per year in accordance with its charter. All members act independently as described in section 94 of the Act. During the year under review, four meetings were held. The internal and external auditors, in their capacity as auditors to the group, attended and reported at all meetings of the audit committee. The group risk management function was also represented. The chair of the board, chief executive, financial director, general manager: finance, group general counsel and one of the non-executive directors attend the meetings by invitation.

The names of the members who were in office during the financial year and the details of the audit committee meetings attended by each of the members are:

Name of committee member	Qualifications	Four meetings were held during the year. Attendance	Category
D G Eriksson	CTA (Wits) and CA(SA)	4	Independent non-executive
R C C Jafta	MEcon and PhD (Stellenbosch University)	4	Independent non-executive
B J van der Ross	DipLaw (UCT)	4	Independent non-executive

Report of the audit committee

for the year ended 31 March 2017

The board and the nomination committee unanimously recommend to shareholders at the annual general meeting that the current committee members be re-elected. All audit committee members served on the committee for the full financial year.

INTERNAL AUDIT

The audit committee has oversight of the group's financial statements and reporting process, including the system of internal financial control. It is responsible for ensuring that the group's internal audit function is independent and has the necessary resources, standing and authority in the organisation to discharge its duties. The committee oversees cooperation between internal and external auditors, and serves as a link between the board of directors and these functions. The head of internal audit reports functionally to the chair of the committee and administratively to the financial director.

CONFIDENTIAL MEETINGS

Audit committee agendas provide for confidential meetings between committee members and the internal and external auditors.

INDEPENDENCE OF THE EXTERNAL AUDITOR

During the year, the audit committee reviewed a representation by the external auditor and, after conducting its own review, confirmed the independence of the auditor.

EXPERTISE AND EXPERIENCE OF FINANCIAL DIRECTOR AND THE FINANCE FUNCTION

As required by the JSE Limited Listings Requirement 3.84(h), the audit committee has satisfied itself that the financial director has appropriate expertise and experience. In addition, the committee satisfied itself that the composition, experience and skills set of the finance function met the group's requirements.

DISCHARGE OF RESPONSIBILITIES

The committee determined that, during the financial year under review, it had discharged its legal and other responsibilities as outlined in terms of its remit, details of which are included in the full corporate governance report on www.naspers.com. The board concurred with this assessment.

Don Eriksson
Chair: Audit committee
23 June 2017

Directors' report to shareholders

for the year ended 31 March 2017

NATURE OF BUSINESS

Naspers Limited (Naspers) 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.

OPERATING REVIEW

Naspers produced positive results for the year to 31 March 2017. Tencent delivered strong earnings, while the group continued to scale its ecommerce businesses. Video entertainment has become both more mature and more competitive. Against this backdrop, core headline earnings grew 41% to US$1.8bn.

The internet segment expanded, particularly in classifieds, payments and travel, which all achieved solid traction. These businesses were further strengthened during the year by additional investments to scale and grow, including mobile app-only classifieds platform, letgo, acquiring Citrus Pay in the Indian online-payments market and merging the group's ibibo platform with MakeMyTrip in India. On the back of contributions from Tencent and ecommerce, group revenue (measured on an economic-interest basis) grew 19% to US$14.6bn (or 29% in local currency, adjusted for acquisitions and disposals).

The video-entertainment segment continued to face the effects of weakened African currencies and higher content costs. This translated into a marginal decrease in year-on-year revenue and significant pressure on profitability, although the business recorded strong subscriber growth, particularly outside South Africa.

Foreign currencies affect the group's segments to varying degrees. In video entertainment, weak currencies have a large impact on earnings (given pricing in local currencies, but a high US dollar cost base). In the internet segment, the impact is lessened by the geographic dispersion of the businesses and a cost base generally denominated in local currencies.

Where relevant in this report, we have adjusted amounts and percentages for the effects of foreign currency, as well as acquisitions and disposals. These adjustments (pro forma financial information) are quoted in brackets after the equivalent metrics reported under International Financial Reporting Standards (IFRS).

The following financial commentary and segmental reviews are prepared on an economic-interest basis (including consolidated subsidiaries and a proportionate consolidation of associated companies and joint ventures), unless otherwise stated.

FINANCIAL REVIEW

Consolidated revenue (thus excluding equity-accounted companies) increased 3% (13%), mainly due to strong performances by the ecommerce businesses which grew 11% (32%).Significant disposals during the year, notably the Allegro business in Poland and the Czech ecommerce units, Netretail and Heureka, reduced revenues. In addition, the merger of the online travel business, ibibo, with MakeMyTrip in January 2017 resulted in the group's travel investment no longer being consolidated. From the 2018 financial year, the group will equity-account for its share of the results of MakeMyTrip, given its 40% shareholding in the merged business.

Consolidated development spend was up 22% (13%) to US$861m as letgo, Showmax and the travel business accelerated their growth. Total aggregate development spend on these businesses was US$427m. Excluding the stepped-up investment in these businesses, development spend decreased by 16% as several ecommerce businesses, including classifieds and the business-to-consumer (B2C) operations, improved profitability.

Group trading profit, measured on an economic-interest basis, rose 22% (37%) to US$2.7bn. This was driven by strong growth from Tencent as well as contracting trading losses in the B2C business, offset by higher development spend and an operating loss from the sub-Saharan African video-entertainment business.

IFRS operating losses were higher at US$360m, mainly due to the effects of currency weakness and higher content costs in the video-entertainment segment.

FINANCIAL REVIEW (continued)

The group's share of equity-accounted results increased 42% year on year to US$1.8bn. This includes once-off gains of US$381m and impairment losses of US$268m recognised by associates and joint ventures. The contribution to core headline earnings by associates and joint ventures was up 50% to US$2.4bn after adjusting for these non-recurring items.

Net interest expense on borrowings was down 17% to US$142m, due to lower utilisation of credit facilities and, to a lesser extent, cash retained from the US$3.2bn Allegro disposal. Consequently, the group was in a net cash position of US$1.1bn at year-end.

The combination of higher development spend and lower profit contribution from the video-entertainment business resulted in consolidated free cash outflow of US$125m. These effects were partially offset by higher dividend income from Tencent and improved working capital.

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

SEGMENTAL REVIEW

Internet

Solid growth was evidenced in this segment with revenues up 29% (41%) year on year to US$10.6bn. Fuelled in particular by excellent results from Tencent and increased profitability of the more mature ecommerce assets, overall internet segment trading profits increased 52% (65%) to US$2.5bn. At year-end, this segment contributed 73% of total Naspers revenue measured on an economic-interest basis, an increase from 67% last year.

Ecommerce

Ecommerce growth saw revenues 11% (27%) higher at US$2.9bn. Trading losses increased 5% year on year, as the group invested to scale letgo and continued expanding the hotels segment of the online travel business. The group now has 21 profitable businesses in ecommerce, excluding those disposed of during the year, delivering US$699m in revenues and US$229m in trading profits.

Classifieds performed well, growing revenues by 96% (64%) to US$426m. In Russia, Avito generated firm revenues in the first full year of consolidating its results. Growth also accelerated in European markets, led by Poland, Ukraine, Romania and Portugal due to increased levels of monetisation.

In May 2016 the US operations of letgo were merged with Wallapop, and shareholders invested a collective US$100m in the combined business. Following lively user engagement after the merger, an additional US$175m was raised to solidify letgo's competitive position. Results to date are encouraging and investment in the US market and elsewhere will continue for several years.

Solid progress was made in other classifieds markets as OLX invested to improve its mobile product offerings and drive synergies across product and technology platforms. Excluding letgo, trading losses declined significantly.

In B2C, revenue growth was fuelled by eMAG, which improved revenue by 35% and increased market share in Romania, Bulgaria and Hungary. In Romania, which accounted for the bulk of eMAG's revenues, the growing private-label business delivered firm margins and the company improved cash flow from working capital management.

The group's Indian etail associate, Flipkart, remains a large opportunity, with market estimates expecting the online retail market in India to reach US$50bn by 2020. Competition has intensified in the past year, with Amazon gaining market share in the early part of the year. Flipkart has maintained its leadership position, with recent market share trends suggesting gains.

Two further significant transactions took place with respect to the group's equity-accounted etail investments. In March 2017 the group signed an agreement for the sale of its interest in Souq, in the Middle East, to Amazon. In April 2017, post year-end, the group agreed to invest US$73m in Takealot, subject to regulatory approval.

In January 2017 the group concluded the merger of its online travel businesses ibibo and redBus with Nasdaq-listed MakeMyTrip, creating India's leading online travel business. Post merger, Naspers holds a 40% fully diluted stake in MakeMyTrip. To fund further expansion, the group invested an additional US$132m in MakeMyTrip after year-end.

SEGMENTAL REVIEW (continued)

Ecommerce (continued)

In Poland the disposals of Allegro and Ceneo concluded in January 2017, generating net proceeds of US$3.2bn. These businesses contributed revenue of US$327m and a trading profit of US$137m to the results for the year.

The payments business generated lively revenue growth of 33% (32%) year on year. Six markets served by PayU recorded operational growth of over 50%. Total payments volume exceeded US$16bn, up 36% on last year, with over 400m transactions processed over the period.

The acquisition of Citrus Pay in India consolidated PayU's position and will allow it to build a franchise in ecommerce while growing vertical market positions in the airline and telecommunications industries.

After year-end, PayU invested €110m in Kreditech – a leading technology group for digital consumer credit. This transaction combines PayU's strong international footprint with Kreditech's technology to bring innovative credit services to underserved markets.

As previously reported, Naspers Ventures – tasked with identifying new growth opportunities for the group – made a number of investments in educational technology companies.

Movile's subsidiary, iFood, the Latin American online food-delivery business operating mainly in Brazil, made excellent progress with order-number growth accelerating 164% year on year.

iFood revenues grew 229% and trading profit 156%. The group's online food-delivery portfolio was strengthened after year-end by a €387m investment in Delivery Hero, the largest online food-delivery company by orders globally.

Tencent

For the year ended December 2016 Tencent's revenues were RMB151.9bn, up 48% year on year. Non-GAAP profit attributable to shareholders (Tencent's measure of normalised performance) grew 40% to RMB45.4bn.

QQ and Weixin reinforced their positions as the ubiquitous social platforms for users in China to communicate, socialise, and enjoy online content and services. Weixin continued to develop as a 'super app', with monthly active users on Weixin and WeChat up 28% to 889m. Tencent launched several successful self-developed and licensed games and expanded its position as a leading global game company by investing in companies such as Supercell and Paradox. The popularity of its digital-content platforms and number of paying users grew well.

Looking ahead, Tencent will focus on delivering superior experiences to its users and creating business opportunities for its ecosystem partners by implementing its 'connection' strategy. Heavy investment in innovative, cutting-edge technologies (including cloud services and artificial intelligence) and partnerships will continue as Tencent positions itself for long-term growth.

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

Mail.ru

Mail.ru's revenue for the year to December 2016 was up 15% to RUB42.8bn, including the results of newly acquired Pixonic and Delivery Club (the online food-ordering business in Russia). Key revenue drivers were online games and advertising. Warface remains Mail.ru's largest game, followed by War Robots from Pixonic. Mail.ru recorded strong advertising-revenue growth in mobile, especially from VKontakte and in-feed native formats.

Group aggregate segment EBITDA (Mail.ru's measure of normalised performance) was down 1% to RUB17.9bn, mainly due to a non-recurring value-added tax charge.

Towards the end of its financial year, Mail.ru made a number of acquisitions aimed at expanding its ecosystems and leveraging its user base, most notably Pixonic and Delivery Club. These have the potential to sustain long-term revenue growth and profitability.

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

SEGMENTAL REVIEW (continued)

Video entertainment

Last year tough economic conditions led to significant churn in subscribers, but 2017 saw a return to modest growth. A value strategy was successful at expanding the business over the long term. This focused on bouquet restructuring and reduction of non-performing content, holding subscription prices steady in key markets, better customer focus and retention, reducing set-top box prices and rightsizing operations. These initiatives resulted in net direct-to-home (DTH) subscriber growth of 935 000 homes, compared to 38 000 last year. A total of 597 000 digital terrestrial television (DTT) subscribers were added to the base, bringing the combined closing base (DTT and DTH) to 11.9m households at year-end. The DTT business continued to grow, despite analogue switchoffs not being mandated as anticipated. Development of the DTT content offering and improved retention capabilities contributed to solid growth over the year. As a result, this business will not be included in development spend in future.

At a macroeconomic level, muted economic growth and continued currency weakness, contributed to video-entertainment revenues declining marginally year on year to US$3.4bn (but increasing 7% after excluding the impact of foreign exchange). Content costs lifted due to increased competition, and the business is responding by removing or renegotiating nonessential content. Trading profit of US$287m declined 53% (32%) year on year due to the impact of currency weakness in the main operating markets, where customers are billed in local currency but the bulk of the cost base is US dollar denominated. Given the high fixed-cost base, continued subscriber growth is key to improving profitability.

Liquidity in Nigeria, Angola and Mozambique remained constrained with limited availability of foreign currency. At year-end, we had cash balances of US$289m in these countries that are exposed to currency depreciation. Of the US$289m, US$110m relates to a trade receivable due from the Angolan business which is operated as an agency – this amount is underpinned by in-country cash, denominated in Angolan kwanza. We were able to extract US$133m up to 31 March 2017. Subsequent to year-end, we have extracted a further US$113m up to 31 May 2017.

The subscription video-on-demand (SVOD) service, Showmax, completed its first full year of operations, culminating in its launch in Poland in February 2017. Showmax is now fully localised in South Africa, Kenya and Poland and available in over 60 other countries. Consolidated development spend for the video entertainment segment was US$102m (2016: US$85m) – up 20% year on year. Increased investment in Showmax was offset by scaling of the DTT platform.

Regulations in the video-entertainment business are under constant review and we continue to engage with regulators across the continent.

Media

Although substantial growth of 14% (16%) was recorded in the ecommerce and digital segments of our media businesses, overall revenues decreased by 3% (1%) to US$588m. Besides ongoing challenges from structural changes in the print media industry, the segment also continues to face tough macroeconomic conditions due to a weak South African rand. Consumer spending was subdued and, as a consequence, subscription and advertising income. The focus remains on restructuring the mature print businesses, migrating audiences to digital platforms and scaling ecommerce interests while containing costs.

Prospects

During the 2018 financial year the group will keep scaling its ecommerce businesses to drive profitability and cash generation. The focus for the more mature businesses – media and video entertainment – will be on managing macroeconomic and sectoral headwinds through ongoing cost containment. Competition from global platforms across the markets where Naspers operates is increasing and the group will respond through continued innovation and transformation of existing businesses, while investing to fuel the next wave of growth.

SHARE CAPITAL

The authorised share capital at 31 March 2017 was:

- 1 250 000 A ordinary shares of R20 each
- 500 000 000 N ordinary shares of 2 SA cents each

The issued share capital at 31 March 2017 was:

- 907 128 A ordinary shares of R20 each
- 438 265 253 N ordinary shares of 2 SA cents each

Refer to note 18 to the consolidated annual financial statements for information regarding changes in the group's share capital during the year.

PROPERTY, PLANT AND EQUIPMENT

At 31 March 2017, the group's investment in property, plant and equipment amounted to US$1.64bn, compared to US$1.44bn last year. Details are reflected in note 4 of the consolidated annual financial statements.

Capital commitments at 31 March 2017 amounted to US$12.6m (2016: US$15.5m).

DIVIDENDS

The board recommends that a dividend of 580 SA cents (2016: 520 SA cents) per listed N ordinary share be declared and 116 SA cents (2016: 104 SA cents) per unlisted A ordinary share. Dividends will continue to be declared and paid in SA rand, with the relevant exchange rate announced at the time of the dividend payment.

GROUP

Naspers is not a subsidiary of any other company. The name, country of incorporation and effective financial percentage interest of the holding company in each of the Naspers group's principal subsidiaries are disclosed in note 7 to the consolidated annual financial statements.

Details relating to significant acquisitions and divestitures in the group during the year are highlighted in note 3 to the consolidated annual financial statements.

DIRECTORS AND AUDITOR

The directors' names and details are presented on the next page and the company secretary's name and business and postal addresses are presented on page 158. Directors' shareholdings in the issued share capital of the company are disclosed in note 17 to the consolidated annual financial statements.

DIRECTORS AND AUDITOR (continued)

Directors and attendance at meetings:

	Date first appointed in current position	Date last appointed	Six board meetings were held during the year. Attendance:	Category
J P Bekker[3]	17 April 2015	28 August 2015	6	Non-executive
E Choi[1]	21 April 2017	21 April 2017	Not applicable	Independent non-executive
H J du Toit	1 April 2016	1 April 2016	5	Independent non-executive
C L Enenstein	16 October 2013	28 August 2015	6	Independent non-executive
D G Eriksson	16 October 2013	28 August 2015	6	Independent non-executive
G Liu	1 April 2016	1 April 2016	5	Independent non-executive
R C C Jafta	23 October 2003	29 August 2014	6	Independent non-executive
F L N Letele[2]	22 November 2013	26 August 2016	6	Executive
D Meyer	25 November 2009	26 August 2016	6	Independent non-executive
R Oliveira de Lima	16 October 2013	26 August 2016	5	Independent non-executive
S J Z Pacak[3]	15 January 2015	28 August 2015	6	Non-executive
T M F Phaswana [3]	23 October 2003	28 August 2015	5	Independent non-executive
M R Sorour	15 January 2015	28 August 2015	6	Executive
V Sgourdos[3]	1 July 2014	29 August 2014	6	Executive
J D T Stofberg	16 October 2013	26 August 2016	5	Non-executive
B van Dijk[3]	1 April 2014	29 August 2014	6	Executive
B J van der Ross	12 February 1999	28 August 2015	6	Independent non-executive

Notes

[1] *Appointed 21 April 2017.*

[2] *Appointed 22 March 2017 as acting chief executive of the MultiChoice South Africa group.*

[3] *Members of the executive committee. No meetings were held during the year.*

DIRECTORS AND AUDITOR (continued)

Committees and attendance at meetings:

	Executive committee		Audit committee[1]		Risk committee		Human resources and remuneration committee[1]		Nomination committee[1]		Social and ethics committee		
	No meetings held during the year.		**Four meetings held during the year. Attendance:**		**Four meetings held during the year. Attendance:**		**Five meetings held during the year. Attendance:**		**Five meetings held during the year. Attendance:**		**Three meetings held during the year. Attendance:**		**Category**
J P Bekker	√						√	5	√	5			Non-executive
D G Eriksson			√	4	√	4					√	3	Independent non-executive
R C C Jafta			√	4	√	4	√	5	√	5	√	3	Independent non-executive
F L N Letele[2]											√	3	Executive
D Meyer											√	3	Independent non-executive
S J Z Pacak	√				√	4							Non-executive
T M F Phaswana	√						√	5	√	5			Independent non-executive
V Sgourdos	√				√	4					√	3	Executive
J D T Stofberg[3]							√	4	√	4			Non-executive
B J van der Ross			√	4	√	4							Non-executive
B van Dijk	√				√	4					√	3	Executive
E Weideman											√	3	Executive

Notes

[1] *Executive directors attend meetings by invitation.*

[2] *Appointed 22 March 2017 as acting chief executive of the MultiChoice South Africa group.*

[3] *Alternate.*

√ *Member of committee.*

Report on the audit of the consolidated and separate financial statements

for the year ended 31 March 2017

TO THE SHAREHOLDERS OF NASPERS LIMITED

OUR OPINION

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Naspers Limited (the Company) and its subsidiaries (together the Group) as at 31 March 2017, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

What we have audited

Naspers Limited's consolidated and separate financial statements set out on pages 21 to 157 comprise:

- the consolidated and company statements of financial position as at 31 March 2017;
- the consolidated and company statements of comprehensive income for the year then ended;
- the consolidated and company statements of changes in equity for the year then ended;
- the consolidated and company statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in *the Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the *Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code)* and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B).

OUR AUDIT APPROACH

Overall group materiality

Overall group materiality is US$60.4m, which represents 5% of profit before tax adjusted for the significant gain on the disposal of Allegro.pl.

Group audit scope

The components that are in scope include the significant components of the Group. The main indicators used to identify significant components are revenue, profit before tax, total assets and total liabilities. We communicated group audit instructions to component auditors.

Key audit matters

1. Accounting for the gain on the disposal of Allegro.pl.
2. Impairment assessment of goodwill and intangible assets arising from business combinations.
3. Accounting for share-based compensation schemes and share-based payments.
4. Accounting for equity accounted investments.
5. Accounting treatment of current, deferred and other taxes in developing markets.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	US$60.4m
How we determined it	5% of profit before tax adjusted for the significant gain on the disposal of Allegro.pl.
Rationale for the materiality benchmark applied	We chose adjusted profit before tax as the benchmark. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies. Profit before tax was adjusted for the significant gain on the disposal of Allegro.pl.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Our scoping assessment included consideration of significant components as well as taking into consideration sufficiency of work performed over material line items in the financial statements.

The audits undertaken for group reporting purposes include the significant components of the group based on indicators such as the contribution to consolidated revenue, consolidated profit before tax, consolidated assets and consolidated liabilities. For significant components a combination of audit and review procedures were performed. The group engagement team performed further audit and review procedures over the remaining balances and the consolidation process. Insignificant components are considered to be insignificant to the group individually and in aggregate. In establishing the overall approach to the group audit, we determined the extent of the work that needed to be performed by us, as the group engagement team, or by component auditors from other PwC network firms, or non-PwC firms operating under our instruction, in order to issue our audit opinion on the consolidated financial statements of the group. Where the work was performed by component auditors, we determined the level of involvement necessary in the audit work at those components to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the group financial statements as a whole. Detailed Group audit instructions were communicated to all components in scope and a comprehensive audit approach and strategy session was held for key reporting component teams before commencing their respective audits. Throughout the audit, various planning, execution and completion calls and discussions were held with the teams of the significant components. We visited the component audit team responsible for the audit of Tencent Limited in China.

Report on the audit of the consolidated and separate financial statements

for the year ended 31 March 2017

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	**How our audit addressed the key audit matter**
1. Accounting for the gain on the disposal of Allegro.pl On 18 January 2017 Naspers Limited completed the disposal of its investment in Allegro.pl, a subsidiary of the Group. The assessment of the gain on the disposal of Allegro.pl was a matter of most significance to our audit due to the complexity of the calculation, specifically the accuracy of the entities included in the disposal group and the accuracy of the consolidation journal entries pertaining to the disposal, as well as the magnitude of the gain recognised. For further information refer to note 3, note 2 (accounting policies) and note 29.	We tested the gain on disposal of Allegro.pl by reconciling the consideration received to the Share Purchase Agreement ("SPA") and bank accounts and by agreeing the net assets disposed of to the underlying audited accounting records. We particularly paid attention to the accuracy of the entities that were included in the disposal Group by agreeing the entities that were included in the disposal Group to the SPA. We also agreed that all significant consolidation journal entries that pertain to the disposal Group were accurately accounted for in the calculation of the gain on disposal. We recalculated the cumulative Foreign Currency Translation Reserve ("FCTR") that was recycled in the gain on the disposal. We evaluated and assessed the adequacy of the Group's disclosures in respect of the disposal by comparing it to the required disclosures in terms of IFRS, and in our view, the presentation in the financial statements is considered appropriate.

2. <u>Impairment assessment of goodwill and intangible assets arising from business combinations</u> Due to the number of business combinations the Group enters into, the Group's net assets include a significant amount of goodwill and intangible assets. Some of the businesses that these balances relate to are still at an early stage in their lifecycle and as such, there is a risk that they may not trade in line with initial expectations and forecasts, resulting in the carrying amount of goodwill and intangible assets being impaired. Goodwill is tested annually for impairment or whenever there is an impairment indicator identified by management. Management calculated the 'recoverable amount' relating to each individual cash generating unit based on 'value-in-use' by using discounted cash flow models. For businesses that are still considered to be in a start-up phase, management also prepare a qualitative assessment detailing the key user metrics that management use to measure the performance of these businesses. The impairment assessment of goodwill and intangible assets was a matter of most significance to our audit due to the complexity and judgement involved regarding the future results of the relevant businesses, the discount rates applied to future cash flow forecasts, the terminal growth rates utilised by management as well as the judgement in determining the key user metrics that drive the performance of businesses in their start-up phase. For further information refer to note 2 (accounting policies) and notes 5 and 6 (financial disclosures).	We have tested the mathematical accuracy of the valuation models through performing a recalculation of each valuation, and we are satisfied that the approach adopted by management in the valuation models is in line with market practice and the applicable requirements of IAS 36: Impairment of Assets, which was also agreed with our internal valuation experts. We assessed the Group's budgeting procedures (upon which forecasts are based) and agreed management's forecasts to the Board approved budgets of the relevant businesses. We compared and analysed the performance of the various businesses against the prior years, and discussions were held with management on the reasonability of the forecasts utilised in the valuations. We assessed the key inputs in the calculations by performing the following procedures: 1. Comparing the terminal growth rates to long-term growth rates obtained from independent external sources; and 2. Comparing the inputs to the weighted average cost of capital discount rate to independently obtained data such as the cost of debt, risk free rates in the market, market risk premiums, debt/equity ratios as well the beta of comparable companies. Where necessary, we utilised our internal valuation experts when considering the appropriateness of the discount rates and the long term growth rates. The terminal growth rates and discount rates of management were considered to be within an acceptable range of our independent calculations. To ascertain the maximum decline that would result in limited or no headroom between the value-in-use and the carrying value of the net assets of the business, we also performed independent sensitivity analyses around the key inputs such as the terminal growth rate, the discount rate and the significant assumptions included in the forecast cash flows for each business as discussed above. We compared our results with that of management in terms of identifying those businesses that are considered sensitive or for which the recording of an impairment charge was required. For businesses that are still considered to be in a start-up phase, we have assessed management's qualitative assessment of the performance of the business pertaining to key user metrics by agreeing the type of metrics used to that used by comparable companies, agreeing the current year metrics to independently obtained external data and by assessing the forecast growth in key metrics to that of comparable companies. Where management have recorded an impairment charge, we have discussed and assessed the underlying events that

	resulted in the impairment. In addition, we evaluated management's assessment of the fair value less costs of disposal ("FVLCOD") calculation to verify that the impairment was based on the higher of the value in use and FVLCOD calculation as required by IAS 36.
3. <u>Accounting for share based compensation schemes and share-based payments</u> The Group grants share options / share appreciation rights (SARs) to its employees under a number of equity compensation plans. Accounting for share based compensation schemes and share-based payments was a matter of most significance to our audit due to the volume of share based transactions, the level of manual intervention in the process, and the complexity surrounding the valuations, especially the assumptions and estimates of the underlying businesses relating to each scheme. We considered the following share schemes to be most significant in terms of their contribution to the total employee benefit expense recognised in the income statement: ● MIH (Mauritius) Limited ● MultiChoice Africa 2008 ● Naspers Global Ecommerce ● Naspers Restricted Stock Plan (RSU) ● Naspers Global Classifieds For further information refer to Refer to note 2 (accounting policy) and note 41 (financial disclosures).	We assessed the terms of all new share based compensation schemes and share based payment plans implemented in the current year as well as any changes to existing plans. We traced the share movements to relevant supporting documentation by: 1. Agreeing the share option/right offers per the calculation to trustee resolutions; 2. Agreeing the share option/right sales per the calculation to sales requisitions; 3. Agreeing share option/right forfeitures within the calculation to supporting documentation such as resignation or dismissal letters. We have tested the mathematical accuracy of the option valuation models through performing a recalculation of each valuation, and we are satisfied that the approach adopted by management in the option valuation models is in line with market practice. This was also agreed with our internal valuation experts. We used our internal valuation experts in assessing the key inputs in the option valuation calculation by performing the following procedures: 1. Risk free rates were agreed to independently obtained data; 2. Expected volatility rates for listed companies were agreed to independently obtained external data, and for unlisted companies it was agreed to volatility rates of comparable companies in the market; 3. Dividend yields were assessed by agreeing the share price information to independently obtained data and recalculating the average historical dividend yield; 4. Forfeitures rates were assessed for reasonability in terms of the three year history of forfeitures for each grant of the relevant share option/share appreciation right scheme. The key inputs listed above as obtained from management were considered to be within an acceptable range of our independent calculations. We evaluated whether the disclosures of the share-based compensation charge were in compliance with the disclosure requirements of IFRS 2, 'Share-based payment'. We also focussed on the classification of the awards as either equity or cash settled.

4. Accounting for equity-accounted investments The Group holds significant equity accounted investments accounted for in terms of IAS 28, 'Investments in associates and joint ventures'. The equity accounted investments do not all have year-ends that are coterminous with that of the Group, and the Group's accounting policy is to account for an appropriate lag period in reporting on their results. Any significant transactions that occur between the equity accounted investments year-end and 31 March (the Group's year-end) are taken into account in the equity-accounted results of that equity accounted investment. Accounting for equity accounted investments was a matter of most significance due to the significant contribution of the associate investments to the consolidated results of the Group, the impact these have on the Group's results and the fact that the investments have year-ends that are not coterminous with that of the Group. We considered the following associates to be most significant during the current financial year: • Tencent Limited • Mail.ru Group • Flipkart Limited For further information refer to note 2 (accounting policy) and notes 8 and 9 (financial disclosures).	We issued audit instructions to the component auditors of the significant equity accounted investments. The instructions covered the significant audit areas that the component auditors should focus on, as well as the information required to be reported back to the Group audit team. Throughout the audit, various planning, execution and completion calls and discussions were held with the component auditors of the significant equity accounted investment components. We assessed the competence, knowledge and experience of our component audit teams, and performed a review of significant audit areas to assess the adequacy of the procedures performed in pursuit of our audit opinion. We visited the component audit team responsible for the audit of Tencent Limited in China. We obtained the equity accounted results and movements recorded by the Group and agreed them to the audited financial results of the underlying equity accounted investments. We also re-performed manual calculations, including lag period adjustments prepared by management where required to test that the equity accounted results are accurate, complete and in line with IFRS. We understood management's process and independently assessed the accounting policies of the associates and joint ventures to that of the Group to ensure consistency with the Group accounting policies and compliance with IFRS.
5. Accounting treatment of current, deferred and other taxes in developing markets The Group operates across many tax jurisdictions and due to the inherent nature of exposures in developing markets, specifically within Africa, the Group carries a significant amount of tax provisions and contingencies at year end. Management applies their judgement to estimate the potential exposure where the interpretation of the applicable tax laws and regulations could be subjective. The accounting treatment of current, deferred and other taxes was a matter of most significance to our audit due to the complexity and nature of these exposures together with a significant level of management judgement involved in interpreting specific Acts or practices in determining the amounts of these liabilities. For further information refer to note 2 (accounting policy) and notes 11, 24 and 30 (financial disclosures).	We utilised our International Tax specialists to evaluate management's assessment of tax exposures relating to Withholding tax, VAT, Permanent establishment exposure and other taxes. Meetings were held between our International Tax specialists and the Group's local territories' tax advisors and management to discuss the significant exposures and evaluate the reasonableness of management's conclusions. To corroborate management's assessment, we inspected the correspondence received by management from the tax authorities and the Group's legal advisors. Where required, we performed an independent recalculation of the tax exposures and the related deferred tax balances.

Separate financial statements:

We have determined that there are no key audit matters in respect of the separate financial statements.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the Naspers Annual financial statements and the Integrated Annual Report that includes the Directors' report to shareholders, the Report of the audit committee and the Certificate by the company secretary as required by the Companies Act of South Africa. Other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards 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 consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Report on the audit of the consolidated and separate financial statements

for the year ended 31 March 2017

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (continued):

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc, and a number of its predecessor firms have been the auditors of Naspers Limited since the company's formation in 1915 (102 years).

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Inc.
Director: Brendan Deegan
Registered Auditor
Cape Town, South Africa
23 June 2017

Consolidated statement of financial position

as at 31 March 2017

	Notes	31 March 2017 US$'m	31 March 2016 US$'m
ASSETS			
Non-current assets		**16 291**	13 486
Property, plant and equipment	4	**1 638**	1 443
Goodwill	5	**2 442**	2 818
Other intangible assets	6	**1 104**	1 190
Investments in associates	8	**10 784**	7 625
Investments in joint ventures	9	**79**	218
Investments and loans	10	**82**	57
Other receivables	15	**32**	20
Derivative financial instruments	38	**2**	-
Deferred taxation	11	**128**	115
Current assets		**5 639**	3 237
Inventory	13	**154**	194
Programme and film rights	12	**193**	160
Trade receivables	14	**420**	393
Other receivables	15	**453**	490
Related party receivables		**3**	1
Derivative financial instruments	38	**6**	59
Cash and cash equivalents	36	**4 007**	1 714
		5 236	3 011
Assets classified as held for sale	16	**403**	226
TOTAL ASSETS		**21 930**	16 723
EQUITY AND LIABILITIES			
Capital and reserves attributable to the group's equity holders		**14 958**	10 254
Share capital and premium	18	**4 944**	4 965
Other reserves	19	**518**	(821)
Retained earnings	20	**9 496**	6 110
Non-controlling interests		**403**	400
TOTAL EQUITY		**15 361**	10 654
Non-current liabilities		**3 641**	4 023
Post-employment medical liability		**14**	13
Long-term liabilities	21	**3 342**	3 694
Other non-current liabilities		**-**	3
Provisions	22	**7**	7
Derivative financial instruments	38	**13**	20
Deferred taxation	11	**265**	286
Current liabilities		**2 928**	2 046
Current portion of long-term debt	21	**915**	227
Provisions	22	**48**	26
Trade payables		**487**	437
Accrued expenses and other current liabilities	23	**1 257**	1 186
Related party payables		**7**	4
Taxation payable		**17**	34
Dividends payable		**4**	3
Derivative financial instruments	38	**119**	31
Bank overdrafts and call loans	36	**4**	1
		2 858	1 949
Liabilities classified as held for sale	16	**70**	97
TOTAL EQUITY AND LIABILITIES		**21 930**	16 723

The accompanying notes are an integral part of these consolidated annual financial statements.

Consolidated income statement

for the year ended 31 March 2017

	Notes	31 March 2017 US$'m	31 March 2016 US$'m
Revenue	25	**6 098**	5 930
Cost of providing services and sale of goods	26	**(3 574)**	(3 392)
Selling, general and administration expenses	26	**(2 827)**	(2 423)
Other (losses)/gains - net	27	**(57)**	(292)
Operating loss		**(360)**	(177)
Interest received	28	**70**	40
Interest paid	28	**(278)**	(292)
Other finance (costs)/income - net	28	**(259)**	(100)
Share of equity-accounted results	8, 9	**1 829**	1 289
Impairment of equity-accounted investments	8, 9	**-**	(55)
Dilution (losses)/gains on equity-accounted investments	8, 9	**(119)**	104
Gains on acquisitions and disposals	29	**2 169**	452
Profit before taxation		**3 052**	1 261
Taxation	30	**(244)**	(260)
Profit for the year		**2 808**	1 001
Attributable to:			
Equity holders of the group		**2 921**	994
Non-controlling interests		**(113)**	7
		2 808	1 001
Earnings per N ordinary share (US cents)			
Basic	31	**677**	238
Fully diluted	31	**670**	232

The accompanying notes are an integral part of these consolidated annual financial statements.

Consolidated statement of comprehensive income

for the year ended 31 March 2017

	Notes	31 March 2017 US$'m	2016 US$'m
Profit for the year		**2 808**	1 001
Other comprehensive income			
Foreign currency translation reserve*		**326**	(309)
Exchange gain/(loss) arising on translating the net assets of foreign operations		**326**	(309)
Fair-value losses*	19	**(1)**	11
Fair-value (losses)/gains on available-for-sale investments		**(1)**	11
Hedging reserve*	38	**(73)**	39
Net movement in hedging reserve		**(85)**	42
Net tax effect of movements in hedging reserve		**12**	(3)
Share of equity-accounted investments' direct reserve movements		**1 293**	633
Share-based compensation reserve		**292**	387
Valuation reserve*	19	**805**	154
Foreign currency translation reserve*		**196**	92
Total other comprehensive income, net of tax, for the year		**1 545**	374
Total comprehensive income for the year		**4 353**	1 375
Attributable to:			
Equity holders of the group		**4 492**	1 406
Non-controlling interests		**(139)**	(31)
		4 353	1 375

** These components of other comprehensive income may subsequently be reclassified to the income statement during future reporting periods.*

The accompanying notes are an integral part of these consolidated annual financial statements.

Consolidated statement of changes in equity

for the year ended 31 March 2017

	Share capital and premium		Foreign currency trans-lation reserve	Hedging reserve	Valuation reserve	Existing control business combi-nation reserve	Share-based compen-sation reserve	Retained earnings	Share-holders' funds	Non-control-ling interest	Total
	A shares US$'m	N shares US$'m	US$'m	US$'m	US$'m	US$'m	US$'m	US$'m	US$'m	US$'m	US$'m
Balance at 1 April 2015	2	2 731	(2 312)	(2)	421	(193)	724	5 277	6 648	255	6 903
Total comprehensive income for the year	-	-	(177)	37	165	-	387	994	1 406	(31)	1 375
Profit for the year	-	-	-	-	-	-	-	994	994	7	1 001
Total other comprehen-sive income for the year	-	-	(177)	37	165	-	387	-	412	(38)	374
Share capital movements	-	2 300	-	-	-	-	-	-	2 300	-	2 300
Treasury share movements	-	(68)	-	-	-	-	-	-	(68)	-	(68)
Share-based compensation movement	-	-	-	-	-	-	120	-	120	6	126
Transactions with non-controlling shareholders	-	-	-	-	-	9	-	-	9	295	304
Foreign exchange movements on equity reserves	-	-	13	-	(13)	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	(161)	(161)	(125)	(286)
Balance at 31 March 2016	2	4 963	(2 476)	35	573	(184)	1 231	6 110	10 254	400	10 654
Balance at 1 April 2016	**2**	**4 963**	**(2 476)**	**35**	**573**	**(184)**	**1 231**	**6 110**	**10 254**	**400**	**10 654**
Total comprehensive income for the year	**-**	**-**	**540**	**(65)**	**804**	**-**	**292**	**2 921**	**4 492**	**(139)**	**4 353**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2 921**	**2 921**	**(113)**	**2 808**
Total other comprehen-sive income for the year	**-**	**-**	**540**	**(65)**	**804**	**-**	**292**	**-**	**1 571**	**(26)**	**1 545**
Share capital movements	**-**	**56**	**-**	**-**	**-**	**-**	**-**	**-**	**56**	**-**	**56**
Treasury share movements	**-**	**(77)**	**-**	**-**	**-**	**-**	**-**	**-**	**(77)**	**-**	**(77)**
Share-based compensation movement	**-**	**-**	**-**	**-**	**-**	**-**	**86**	**-**	**86**	**8**	**94**
Transactions with non-controlling shareholders	**-**	**-**	**-**	**-**	**-**	**47**	**-**	**-**	**47**	**250**	**297**
Foreign exchange movements on equity reserves	**-**	**-**	**(10)**	**-**	**10**	**-**	**-**	**-**	**-**	**-**	**-**
Direct retained earnings and other movements			**97**	**-**	**-**		**(462)**	**623**	**258**	**-**	**258**
Dividends	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(158)**	**(158)**	**(116)**	**(274)**
Balance at 31 March 2017	**2**	**4 942**	**(1 849)**	**(30)**	**1 387**	**(137)**	**1 147**	**9 496**	**14 958**	**403**	**15 361**

The accompanying notes are an integral part of these consolidated annual financial statements.

Consolidated statement of cash flows

for the year ended 31 March 2017

	Notes	31 March 2017 US$'m	31 March 2016 US$'m
Cash flows from operating activities			
Cash from operations	32	**294**	454
Dividends received from investments and equity-accounted companies		**193**	146
Cash generated from operating activities		**487**	600
Interest income received		**63**	46
Interest costs paid		**(257)**	(246)
Taxation paid		**(333)**	(322)
Net cash (utilised in)/generated from operating activities		**(40)**	78
Cash flows from investing activities			
Property, plant and equipment acquired		**(152)**	(186)
Proceeds from sale of property, plant and equipment		**10**	19
Intangible assets acquired		**(32)**	(71)
Proceeds from sale of intangible assets		**1**	10
Acquisitions of subsidiaries and businesses, net of cash acquired	33	**(140)**	(1 231)
Disposals of subsidiaries and businesses	34	**3 383**	282
Acquisition of associates	35	**(216)**	(42)
Partial disposals of associates		**-**	7
Additional investment in existing associates	35	**(16)**	(73)
Acquisition of joint ventures	35	**(11)**	-
Additional investments in existing joint ventures	35	**(14)**	(80)
Preference dividends received		**-**	2
Cash movement in other investments and loans		**1**	(21)
Net cash generated from/(utilised in) investing activities		**2 814**	(1 384)
Cash flows from financing activities			
Proceeds from issue of share capital		**-**	2 470
Proceeds from long- and short-term loans raised		**584**	2 000
Repayments of long- and short-term loans		**(602)**	(2 270)
Additional investments in existing subsidiaries		**(114)**	(35)
Repayments of capitalised finance lease liabilities		**(60)**	(55)
Outflow from share-based compensation transactions		**(36)**	(13)
Contributions by non-controlling shareholders		**98**	49
Dividends paid by subsidiaries to non-controlling shareholders		**(118)**	(114)
Dividend paid by holding company		**(163)**	(140)
Net cash (utilised in)/generated from financing activities		**(411)**	1 892
Net movement in cash and cash equivalents		**2 363**	586
Foreign exchange translation adjustments on cash and cash equivalents		**(50)**	(73)
Cash and cash equivalents at the beginning of the year		**1 713**	1 200
Cash and cash equivalents classified as held for sale	16	**(23)**	-
Cash and cash equivalents at the end of the year	36	**4 003**	1 713

The accompanying notes are an integral part of these consolidated annual financial statements.

1. NATURE OF OPERATIONS

Naspers Limited (Naspers) is a global internet and entertainment group and one of the largest technology investors in the world. Founded in 1915, the group now operates in more than 130 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. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated and separate annual financial statements are set out below. These accounting policies have been consistently applied to all years presented.

The consolidated and separate annual financial statements of the group are presented in accordance with, and comply with International Financial Reporting Standards (IFRS) and interpretations of those standards as issued by the International Accounting Standards Board (IASB) and effective at the time of preparing these financial statements, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act No 71 of 2008. The consolidated and separate annual financial statements are prepared using the historic cost convention apart from certain financial instruments (including derivative instruments) and cash-settled share-based payment schemes stated at fair value.

The preparation of the consolidated and separate annual financial statements necessitates the use of estimates, assumptions and judgements by management. These estimates and assumptions affect the reported amounts of assets, liabilities and contingent assets and liabilities at the statement of financial position date as well as the reported income and expenses for the year. Although estimates are based on management's best knowledge and judgement of current facts as at the statement of financial position date, the actual outcome may differ from these estimates. Estimates are made regarding the fair value of intangible assets recognised in business combinations; impairment of property, plant and equipment (refer to note 4); goodwill (refer to note 5); other intangible assets (refer to note 6); financial assets carried at amortised cost and other assets (refer to note 14); the remeasurements required in business combinations and disposals of associates, joint ventures and subsidiaries (refer to note 29); fair-value measurements of level 2 and level 3 financial instruments (refer to note 39); provisions (refer to note 22); taxation (refer to note 30) and equity compensation benefits (refer to note 41).

(a) Basis of consolidation

The consolidated annual financial statements include the results of Naspers Limited and its subsidiaries, associated companies and joint ventures.

Subsidiaries

Subsidiaries are entities over which the group has control. The existence and effect of potential voting rights are considered when assessing whether the group controls another entity to the extent that those rights are substantive. Subsidiaries are consolidated from the date on which control is obtained (acquisition date) up to the date control ceases. For certain entities, the group has entered into contractual arrangements which allow the group to control such entities. Because the group controls such entities, they are consolidated in the consolidated annual financial statements.

Intergroup transactions, balances and unrealised gains and losses are eliminated on consolidation.

Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in an acquisition of a business (acquiree) comprises the fair values of the assets transferred, the liabilities assumed, the equity interests issued by the group and the fair value of any contingent consideration arrangements. If the contingent consideration is classified as equity, it is not subsequently remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of contingent consideration are recognised in the income statement.

2. **PRINCIPAL ACCOUNTING POLICIES** (continued)

(a) **Basis of consolidation** (continued)

***Business combinations** (continued)*

For each business combination, the group measures the non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Where a business combination is achieved in stages, the group's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date through the income statement. The fair value of the group's previously held equity interest forms part of the consideration transferred in the business combination at the acquisition date.

When a selling shareholder is required to remain in the group's employment subsequent to a business combination, any retention option arrangements are recognised as employee benefit arrangements and dealt with in terms of the accounting policy for employee or equity compensation benefits.

Goodwill

Goodwill in a business combination is recognised at the acquisition date when the consideration transferred and the recognised amount of non-controlling interests exceeds the fair value of the net identifiable assets of the entity acquired. If the consideration transferred is lower than the fair value of the identifiable net assets of the acquiree (a bargain purchase), the difference is recognised in the income statement. The gain or loss on disposal of an entity is calculated after consideration of attributable goodwill.

Transactions with non-controlling shareholders

Non-controlling shareholders are equity participants of the group and all transactions with non-controlling shareholders are therefore accounted for as equity transactions and included in the statement of changes in equity. In transactions with non-controlling shareholders, any excess of the cost/proceeds of the transaction over the group's proportionate share of the net asset value acquired/disposed is allocated to the "Existing control business combination reserve" in equity.

Associates and joint ventures

Investments in associated companies (associates) and joint ventures are accounted for in terms of the equity method.

Associates are entities over which the group exercises significant influence, but which it does not control or jointly control. Joint ventures are arrangements in which the group contractually shares control over an activity with others and in which the parties have rights to the net assets of the arrangement.

Most major foreign associates and joint ventures do not have year-ends that are coterminous with that of the group, and the group's accounting policy is to account for an appropriate lag period in reporting their results. Any significant transactions occurring between the investees' and the group's March year-end are taken into account.

Unrealised gains or losses on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in the relevant associate or joint venture, except where the loss is indicative of impairment of assets transferred.

The group's share of other comprehensive income and other changes in net assets of associates and joint ventures is recognised in the statement of comprehensive income.

For acquisitions of associates and joint ventures achieved in stages, the group measures the cost of its investment as the sum of the consideration paid for each purchase plus a share of the investee's profits and other equity movements. Any other comprehensive income recognised in prior periods in relation to the previously held stake in investee is reversed through equity and a share of profits and other equity movements is also recorded in equity. Acquisition-related costs form part of the investment in the associate or joint venture.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(a) Basis of consolidation (continued)

***Business combinations** (continued)*

When the group increases its shareholding in an associate or joint venture and continues to exercise significant influence or to exert joint control over the investee, the cost of the additional investment is added to the carrying value of the investee. The acquired share in the investee's identifiable net assets, as well as any goodwill arising, is calculated using fair-value information at the date of acquiring the additional interest. Goodwill is included in the carrying value of the investment in the associate or joint venture.

Partial disposals of associates and joint ventures that do not result in a loss of significant influence or joint control are accounted for as dilutions. Dilution gains and losses are recognised in the income statement. The group's proportionate share of gains or losses previously recognised in other comprehensive income by associates and joint ventures are reclassified to the income statement when a dilution occurs.

Each associate and joint venture is assessed for impairment on an annual basis as a single asset. If impaired, the carrying value of the group's investment in the associate or joint venture is adjusted to its recoverable amount and the resulting impairment loss is included in "Impairment of equity-accounted investments" in the income statement.

Disposals

When the group ceases to have control (subsidiaries), exercise significant influence (associates) or exert joint control (joint ventures), any retained interest is remeasured to its fair value, with the change in the carrying value recognised in the income statement. This fair value is the initial carrying amount for the purposes of subsequent accounting for the retained interest. In addition, any amounts previously recognised in other comprehensive income in respect of the entity disposed are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the income statement.

Where the group contributes a non-monetary asset (including a business) to an investee in exchange for an interest in that investee that is equity-accounted, the gain or loss arising on the remeasurement of the contributed non-monetary asset to fair value is recognised in the income statement only to the extent of other parties' interests in the investee. The gain or loss is eliminated against the carrying value of the investment in the associate or joint venture to the extent of the group's interest.

(b) Financial assets

The group classifies its investments in debt and equity securities into financial assets at fair value through profit or loss, available-for-sale financial assets and loans and receivables. The classification is dependent on the purpose for which the investments were acquired. Management determines the classification of its investments at the time of initial recognition and, where required, re-evaluates such designation on an annual basis.

All financial assets at fair value through profit or loss are classified as held for trading and are derivative financial instruments. A financial asset is classified into this category at inception if acquired principally for the purpose of selling in the short term, if it forms part of a portfolio of financial assets in which there is evidence of short-term profit-taking, or, if permitted to do so, designated by management. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any other financial instrument category. The group has classified equity investments that are not held for trading in this category.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the group intends to sell in the short term or that it has designated as at fair value through profit or loss or available for sale. The group has classified loans, certain preference share investments as well as trade and other receivables in this category.

Financial assets are presented as non-current assets, except for those with maturities within 12 months from the statement of financial position date, which are classified as current assets.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(b) Financial assets (continued)

Purchases and sales of financial assets are recognised on the trade date, which is the date that the group commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus, in the case of financial assets not carried at fair value through profit or loss, transaction costs that are directly attributable to their acquisition.

At fair value through profit or loss and available-for-sale financial assets are subsequently carried at fair value with changes in fair value recognised in the income statement and statement of comprehensive income, respectively. Refer to note 38 for the group's fair-value measurement methodology regarding financial assets.

Loans and receivables are carried at amortised cost after initial recognition using the effective interest method.

The group assesses, at each statement of financial position date, or earlier when such assessment is prompted, whether there is objective evidence that a financial asset or group of financial assets may be impaired. If any such evidence exists, the amount of any impairment loss is established as outlined below.

For loans and receivables, the impairment loss is measured as the difference between the financial asset's carrying amount and the present value of its estimated future cash flows, discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced directly through the income statement for impairment losses that can be attributed to an individual financial asset and via an allowance account for impairment losses relating to a group of financial assets. An impairment loss recognised on a financial asset in a previous reporting period is reversed through the income statement if the estimates used to calculate the recoverable amount have changed since the previous impairment loss was recognised.

Where available-for-sale financial assets are impaired, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to the income statement.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or where they have been transferred and the group has also transferred substantially all risks and rewards of ownership.

Financial assets are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to realise the asset and settle a related financial liability simultaneously.

(c) Financial liabilities

The group classifies its financial liabilities into financial liabilities at fair value through profit or loss, other financial liabilities and written put option liabilities. Financial liabilities are recognised when the group becomes party to the contractual provisions of the relevant instrument.

All financial liabilities at fair value through profit or loss are derivative financial instruments and are accordingly classified as held for trading. Financial liabilities at fair value through profit or loss are initially recognised at fair value, excluding transactions costs, and are subsequently carried at fair value with changes in fair value recognised in the income statement.

Other financial liabilities comprise trade and other payables and borrowings. Other financial liabilities are initially recognised at fair value, net of transaction costs, and are subsequently carried at amortised cost using the effective interest method.

Written put option liabilities represent contracts that impose (or may potentially impose) an obligation on the group to purchase its own equity instruments (including the shares of a subsidiary) for cash or another financial asset. Written put option liabilities are initially raised from the "Existing control business combination reserve" in equity at the present value of the expected redemption amount payable. Subsequent revisions to the expected redemption amount payable, are recognised in "Other (losses)/gains – net" in the income statement. The unwinding of the discount rate used in measuring the present value of the written put option liability is recognised in "Other finance (costs)/income – net" in the income statement. Where a written put option liability expires unexercised or is cancelled, the carrying value of the financial liability is reclassified to the "Existing control business combination reserve" in equity.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(c) Financial liabilities (continued)

Written put options that provide the group with the discretion to settle its obligations in the group's own equity instruments (including the shares of a subsidiary) are accounted for as derivative financial instruments at fair value.

Refer to note 39 for the group's fair-value measurement methodology regarding financial liabilities.

Written put option liabilities are presented within "Derivative financial instruments" (liabilities) in the statement of financial position.

Financial liabilities are presented as current liabilities if payment is due or could be demanded within 12 months (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Financial liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis. Financial liabilities are derecognised when the contractual obligation is discharged, cancelled or when it expires.

(d) Financial instruments used for hedge accounting

The group uses derivative financial instruments (derivatives) to reduce exposure to fluctuations in foreign currency exchange rates and interest rates. These instruments mainly comprise forward exchange contracts and interest rate swap agreements. Forward exchange contracts protect the group from movements in exchange rates by fixing the rate at which a foreign currency asset or liability will be settled. Interest rate swap agreements protect the group from movements in interest rates.

The group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The group also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives that are used in hedging transactions are expected to be and have been highly effective in offsetting changes in fair values or cash flows of hedged items. The fair values of derivatives used for hedging purposes are disclosed in note 38.

The method of recognising the resulting gain or loss arising on remeasurement of derivatives used for hedging is dependent on the nature of the item being hedged. The group designates a derivative as either a hedge of the fair value of a recognised asset, liability or firm commitment (fair value hedge), or a hedge of a forecast transaction or of the foreign currency risk of a firm commitment (cash flow hedge).

Changes in the fair value of derivatives that are designated, and qualify, as fair value hedges are recorded in the income statement, along with changes in the fair value of the hedged asset or liability that is attributable to the hedged risk.

Changes in the fair value of derivatives that are designated, and qualify, as cash flow hedges and that are highly effective are recognised in other comprehensive income and the ineffective part of the hedge is recognised in the income statement. Where the forecast transaction or firm commitment, of which the foreign currency risk is being hedged, results in the recognition of a non-financial asset or liability, the gains and losses previously deferred in other comprehensive income are transferred from other comprehensive income and included in the initial measurement of the cost of such asset or liability. Otherwise, amounts deferred in other comprehensive income are transferred to the income statement and classified as income or expense in the same periods during which the hedged transaction affects the income statement.

Certain derivative transactions, while providing effective economic hedges under the group's risk management policies, do not qualify for hedge accounting. Changes in the fair value of derivatives that do not qualify for hedge accounting are recognised immediately in the income statement.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(d) Financial instruments used for hedge accounting (continued)

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in other comprehensive income at that time remains in other comprehensive income and is recognised when the committed or forecast transaction ultimately is recognised in the income statement. When a committed or forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in other comprehensive income is immediately reclassified to the income statement.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost, being the purchase cost plus any cost to prepare the assets for their intended use, less accumulated depreciation and any accumulated impairment losses. Cost includes transfers from equity of any gains/losses on qualifying cash flow hedges relating to foreign currency property, plant and equipment acquisitions. Property, plant and equipment, with the exception of land, are depreciated in equal annual amounts over each asset's estimated useful life to their residual values. Land is not depreciated as it is deemed to have an indefinite life.

Depreciation periods vary in accordance with the conditions in the relevant industries, but are subject to the following range of useful lives:

Buildings	1 to 50 years
Manufacturing equipment	2 to 25 years
Office equipment	2 to 25 years
Improvements to buildings	5 to 50 years
Computer equipment	1 to 10 years
Vehicles	2 to 10 years
Transmission equipment	5 to 20 years

Where parts of property, plant and equipment require replacement at regular intervals, the carrying value of an item of property, plant and equipment includes the cost of replacing the part when that cost is incurred, if it is probable that future economic benefits will flow to the group and the cost can be reliably measured. The carrying values of the parts replaced are derecognised on capitalisation of the cost of the replacement part. Each component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately where it has an estimated useful life that differs from that of the item as a whole.

Major leasehold improvements are amortised over the shorter of the respective lease terms and estimated useful lives.

Subsequent costs, including major renovations, are included in an asset's carrying value or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. Repairs and maintenance are charged to the income statement.

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at each statement of financial position date. Gains and losses on disposals are determined by comparing the proceeds to the asset's carrying value and are recognised in "Other (losses)/gains – net" in the income statement.

Work in progress are assets still in the construction phase and not yet available for use. These assets are carried at cost and are not depreciated. Depreciation commences once the assets are available for use as intended by management.

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of those assets. All other borrowing costs are expensed as incurred. A qualifying asset is an asset that takes more than a year to get ready for its intended use.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(f) Leased assets

Finance leases

Leases of property, plant and equipment are classified as finance leases where substantially all risks and rewards associated with ownership are transferred to the group as lessee. Assets under finance leases are capitalised at the lower of fair value and the present value of the minimum lease payments, with the related lease obligation recognised at an equivalent amount. The interest rate implicit in the lease or, where this cannot be reliably determined, the group's incremental borrowing rate is used to calculate the present values of minimum lease payments. Capitalised leased assets are depreciated over their estimated useful lives, limited to the duration of the lease agreement. Each lease payment is allocated between the lease obligation and finance charges. The corresponding lease obligations, net of finance charges, are included in long-term liabilities or current portion of long-term debt. The interest element of the minimum lease payments is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Operating leases

Leases of assets under which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease rentals (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

(g) Intangible assets

Intangible assets acquired are capitalised at cost. Intangible assets with finite useful lives are amortised using the straight-line method over their estimated useful lives. The useful lives and residual values of intangible assets are reassessed on an annual basis.

Amortisation periods for intangible assets with finite useful lives vary in accordance with the conditions in the relevant industries, but are subject to the following maximum limits:

Patents	5 years
Title rights	10 years
Brand names and trademarks	30 years
Software	10 years
Intellectual property rights	30 years
Customer-related assets	11 years

No value is attributed to internally developed trademarks or similar rights and assets. The costs incurred to develop these items are charged to the income statement as incurred.

Costs that are directly associated with the production of identifiable and unique software products controlled by the group, and which will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development team's employee costs and an appropriate portion of relevant overheads. All other costs associated with developing or maintaining software programmes are expensed as incurred.

Web and application (app) development costs are capitalised as intangible assets if it is probable that the expected future economic benefits attributable to the asset will flow to the group and its cost can be measured reliably, otherwise these costs are expensed as incurred.

Research expenditure is expensed as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets if the costs can be measured reliably, the products or processes are technically and commercially feasible, future economic benefits are probable, and the group intends to and has sufficient resources to complete development and to use or sell the asset. Development costs that do not meet these criteria are expensed as incurred.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(g) Intangible assets (continued)

Work in progress are assets still in the development phase and not yet available for use. These assets are carried at cost and are not amortised but are tested for impairment at each reporting date. Amortisation commences once the assets are available for use as intended by management.

(h) Programme and film rights

Programme material rights

Purchased programme and film rights are stated at cost less accumulated amortisation. Programme material rights, which consist of the rights to broadcast programmes, series and films, are recorded at the date the rights come into license at the spot exchange rates on the purchase date. The rights are amortised to the income statement based on contracted screenings or expensed where management has confirmed that no further screenings will occur.

Programme material rights contracted by the reporting date but not yet in license are disclosed as commitments.

Programme production costs

Programme production costs, which consist of all costs necessary to produce and complete a programme to be broadcast, are recorded at the lower of cost and net realisable value. Net realisable value is set at the average cost of programme material rights.

Programme production costs are amortised to the income statement based on contracted screenings or expensed where management has confirmed that no further screenings will occur.

All programme production costs in excess of the expected net realisable value of the production on completion, are expensed when contracted.

Sports events rights

Sports events rights are recorded at the event commencement date at the rate of exchange ruling at that date. These rights are amortised to the income statement over the period to which the events relate or expensed where management has confirmed that the event will not be screened.

Rights to future sports events contracted by the reporting date, but which have not yet commenced, are disclosed as commitments, except where payments have already been made, which are shown as prepaid expenses.

(i) Impairment of non-financial assets

Goodwill and intangible assets with indefinite useful lives

Goodwill and intangible assets with indefinite useful lives are tested annually for impairment and carried at cost less accumulated impairment losses.

Goodwill and intangible assets with indefinite useful lives are allocated to cash-generating units for purposes of impairment testing. An impairment test is performed by determining the recoverable amount of the cash-generating unit to which the goodwill or intangible assets with indefinite useful lives relates. The recoverable amount of a cash-generating unit or individual asset is the higher of its value in use and its fair value less costs of disposal. Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in “Other gains/(losses) – net” in the income statement. Impairment losses recognised on goodwill are not reversed in subsequent periods.

Other intangible assets and property, plant and equipment

Other intangible assets (with finite useful lives) and items of property, plant and equipment are reviewed for indicators of impairment at least annually. Indicators of impairment include, but are not limited to: significant underperformance relative to expectations based on historical or projected future operating results, significant changes in the manner of use of the assets or the strategy for the group’s overall business and significant negative industry or economic trends.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(i) Impairment of non-financial assets (continued)

Other intangible assets and property, plant and equipment *(continued)*

Intangible assets still in the development phase, and not yet available for use (work in progress), are tested for impairment on an annual basis.

An impairment loss is recognised in "Other (losses)/gains – net" in the income statement when the carrying amount of an asset exceeds its recoverable amount.

Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Fair value less costs of disposal is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date less the incremental costs directly attributable to the disposal of an asset or cash-generating unit, excluding finance costs and income tax expense.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows that are largely independent of the cash inflows of other assets or groups of assets (a cash generating unit level).

An impairment loss recognised for an asset in prior years is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised and the revised recoverable amount exceeds the carrying amount. The reversal of such an impairment loss is recognised in "Other (losses)/gains – net" in the income statement.

(j) Inventory

Inventory is stated at the lower of cost and net realisable value. The cost of inventory is determined by means of the first-in-first-out basis or the weighted average method. The majority of inventory is valued using the first-in-first-out basis, but for certain inventories with a specific nature and use, the weighted average method is used.

The cost of finished products and work in progress comprises raw materials, direct labour, other direct costs and related production overheads, but excludes finance costs. Costs of inventories include the transfer from other comprehensive income of any gains/losses on qualifying cash flow hedges relating to foreign currency denominated inventory purchases. Net realisable value is the estimate of the selling price, less the costs of completion and selling expenses. Allowances are made for obsolete, unusable and unsaleable inventory and for latent damage first revealed when inventory items are taken into use or offered for sale.

(k) Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at fair value which equals the cost or face value of the asset. Cash and cash equivalents comprise cash on hand and deposits held at call with banks. Certain cash balances are restricted from immediate use according to terms with banks or other financial institutions. For purposes of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

(l) Provisions

Provisions are obligations of the group where the timing or amount (or both) of the obligation is uncertain.

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(l) Provisions (continued)

The group recognises a provision relating to its estimated exposure on all products still under warranty at the statement of financial position date. A provision for onerous contracts is established when the expected benefits to be derived under a contract are less than the unavoidable costs of fulfilling the contract. Restructuring provisions are recognised in the period in which the group becomes legally or constructively committed to a formal restructuring plan.

Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is determined by discounting the anticipated future cash flows expected to be required to settle the obligation at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense in the income statement.

(m) Taxation

Tax expense

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In such cases, the related tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax

The normal South African company tax rate applied for the year ending 31 March 2017 is 28% (2016: 28%). The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities. International tax rates vary from jurisdiction to jurisdiction.

Deferred taxation

Deferred tax assets and liabilities for South African entities at 31 March 2017 have been calculated using the 28% (2016: 28%) tax rate, and for other entities using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date, being the rates the group expects to apply to the periods in which the assets are realised or the liabilities are settled. Deferred taxation is provided on the taxable or deductible temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction, other than a business combination, that, at the time of the transaction, affects neither the accounting nor the taxable profit or loss. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences and unused tax losses can be utilised.

Deferred taxation is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Withholding tax on dividends

Dividends paid on or after 22 February 2017 by Naspers Limited to shareholders that are not exempted from dividends withholding tax under South African tax law are subject to dividend withholding tax at a rate of 20%. Dividends paid prior to this date are subject to dividend withholding tax at a rate of 15%.

(n) Foreign currencies

The consolidated annual financial statements are presented in US dollar (US$) which is the group's presentation currency. The company's functional currency is the South African rand (R). However, the group measures the transactions of its operations using the functional currency determined for that specific entity, which in most instances, is the currency of the primary economic environment in which the operation conducts its business.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(n) Foreign currencies (continued)

Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or the dates of the valuations where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as part of qualifying cash flow hedges.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair-value gain or loss recognised in the income statement. Translation differences on non-monetary equity investments classified as available for sale are included in the valuation reserve in other comprehensive income as part of the fair-value remeasurement of such items.

Foreign operations

The results and financial position of all group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency that is different from the group's presentation currency are translated into the presentation currency as follows:

– Assets and liabilities are translated at the closing rate at the reporting date.

– Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the spot rate on the dates of the transactions).

– Components of equity are translated at the historic rate.

– All resulting exchange differences are recognised in other comprehensive income and accumulated in the "Foreign currency translation reserve" in the statement of changes in equity.

The group recognises foreign exchange differences relating to monetary items that form part of its net investment in its foreign operations in other comprehensive income where settlement of the item is neither planned nor likely to take place in the foreseeable future.

When a foreign operation is disposed of, the accumulated foreign exchange differences are reclassified to the income statement, as part of the gain or loss on sale.

(o) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the group's activities. Revenue is shown net of value-added tax (VAT), returns, rebates and discounts.

The group recognises revenue when the amount can be reliably measured, it is probable that future economic benefits will flow to the group and when specific criteria have been met for each of the group's activities as described below. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Ecommerce

Ecommerce revenue represents amounts receivable for goods sold and services rendered. Revenue for goods sold is recognised when the significant risks and rewards of ownership has transferred to the buyer. The group recognises listing and related fees on listing of an item for sale and success fees and any other relevant commission when a transaction is completed on the group's websites. A transaction is considered successfully concluded when, in the case of an auction, at least one buyer has bid above the seller's specified minimum price or reserve price, whichever is higher, at the end of the transaction term. Payment transaction revenues are recognised once the transaction is completed and is based on the applicable fee for each transaction performed.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(o) Revenue recognition (continued)

Subscription fees

Video-entertainment and internet subscription fees are earned over the period during which the services are provided. Subscription revenue arises from the monthly billing of subscribers for video-entertainment and internet services provided by the group. Revenue is recognised in the month during which the service is rendered. Any subscription revenue received in advance is recorded as deferred income and recognised in the month the service is provided.

Hardware sales

Hardware sales relate mainly to the sale of set-top boxes in the video-entertainment segment. Revenue is recognised upon customer acceptance.

Advertising revenues

The group mainly derives advertising revenues from advertisements published in its newspapers and magazines, broadcast on its video-entertainment platforms and shown online on its websites and instant-messaging windows. Advertising revenues from video-entertainment and print media products are recognised upon showing or publication over the period of the advertising contract. Publication is regarded to be when the print media product has been delivered to the retailer and is available to be purchased by the general public. Online advertising revenues are recognised over the period in which the advertisements are displayed.

Technology contracts and licensing

For contracts with multiple obligations (eg maintenance and other services), revenue from product licences is recognised when delivery has occurred, collection of the receivable is probable, and the revenue associated with delivered and undelivered elements can be reliably measured.

The group recognises revenue allocated to maintenance and support fees, for ongoing customer support and product updates, rateably over the period of the relevant contracts. Payments for maintenance and support fees are generally made in advance and are non-refundable. For revenue allocated to consulting services and for consulting services sold separately, the group recognises revenue as the related services are performed.

The group enters into arrangements with network operators whereby application software is licensed to network operators in exchange for a percentage of the subscription revenue they earn from their customers. Where all of the software under the arrangement has been delivered, the revenue is recognised as the network operator reports to the group its revenue share, which is generally done on a quarterly basis. Under arrangements where the group has committed to deliver unspecified future applications, the revenue earned on the delivered applications is recognised on a subscription basis over the term of the arrangement.

Printing and distribution

Revenues from print and distribution services are recognised upon completion of the services and delivery of the related product and customer acceptance. The recognition of print services revenue is based upon delivery of the product to the distribution depot and acceptance by the distributor of the customer, or, where the customer is responsible for the transport of the customers' products, acceptance by the customer or its nominated transport company. Revenues from distribution services are recognised upon delivery of the product to the retailer and acceptance thereof.

Print and distribution services are separately provided by different entities within the group and separately contracted for by customers. Where these services are provided to the same client, the terms of each separate contract are consistent with contracts where an unrelated party provides one of the services. Revenue is recognised separately for print and distribution services as the contracts are separately negotiated based on fair value for each service.

Circulation revenue

Circulation revenue is recognised in the month in which the magazine or newspaper is sold.

Book publishing and book sales

Sales are recognised upon delivery of products and customer acceptance.

Decoder maintenance

Decoder maintenance revenue is recognised over the period the service is provided.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(o) Revenue recognition (continued)

Contract publishing

Revenue relating to any particular publication is brought into account in the month that it is published.

(p) Employee benefits

Retirement benefits

The group provides retirement benefits to its full-time employees, primarily by means of monthly contributions to a number of defined contribution pension and provident funds. The assets of these funds are generally held in separate trustee administered funds. The group's contributions to retirement funds are recognised as an expense in the period in which employees render the related service.

Medical aid benefits

The group's contributions to medical aid benefit funds for employees are recognised as an expense in the period in which the employees render services to the group.

Post-employment medical aid benefits

Some group companies provide post-employment healthcare benefits to their retirees. The entitlement to post-employment healthcare benefits is subject to the employee remaining in service up to retirement age and completing a minimum service period. The expected costs of these benefits are accrued over the minimum service period. Independent actuaries carry out annual valuations of these obligations. All remeasurements resulting from experience adjustments and changes in actuarial assumptions are recognised immediately in other comprehensive income. These obligations are unfunded.

Termination benefits

The group recognises termination benefits when it is demonstrably committed to either terminate the employment of employees before the normal retirement date, or provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Where termination benefits fall due more than 12 months after the reporting period, they are discounted. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer. Termination benefits are immediately recognised as an expense in the income statement.

(q) Equity compensation benefits

The group grants share options, share appreciation rights (SARs) and restricted stock units (RSUs) to its employees under a number of equity compensation plans. The group recognises an employee benefit expense in the income statement, representing the fair value of share options, SARs and RSUs granted. A corresponding credit to equity is raised for equity-settled plans, whereas a corresponding credit to liabilities is raised for cash-settled plans. The fair value of the options, SARs and RSUs at the date of grant under equity-settled plans is charged to the income statement over the relevant vesting periods, adjusted to reflect actual and expected levels of vesting. For cash-settled plans, the group remeasures the fair value of the recognised liability at each reporting date and at the date of settlement, with any changes in fair value recognised in the income statement.

A share option, SAR or RSU scheme is considered equity-settled when the transaction is settled through the issue of equity instruments of Naspers Limited or its subsidiaries. They are considered cash-settled when they are settled in cash or any other asset.

On the final vesting date of equity-settled plans, the group transfers the accumulated balance relating to vested share options, SARs and RSUs from the share-based compensation reserve to retained earnings.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(r) Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction against share premium.

Where subsidiaries hold Naspers N ordinary shares, the consideration paid to acquire those shares, including any attributable incremental costs, is deducted from shareholders' equity as treasury shares. Such shares are predominantly held for equity compensation plans. Where such shares are subsequently sold or reissued, the cost of those shares is released, and any realised gains or losses are recorded as treasury shares in equity. Shares issued to or held by share incentive plans within the group are treated as treasury shares until such time when participants pay for and take delivery of such shares.

(s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decisionmaker. The chief operating decisionmaker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that make strategic decisions. The group proportionately consolidates its share of the results of its associates and joint ventures in the various reportable segments. This is considered more reflective of the economic value of these investments.

(t) Disposal groups held for sale

Non-current assets and liabilities (disposal groups) are classified as held for sale, and presented as current assets and liabilities in the statement of financial position, when their carrying values will be recovered principally through a sale transaction and when such sale is considered highly probable. The assets and liabilities of disposal groups held for sale are stated at the lower of carrying value and fair value less costs of disposal.

(u) Recently issued accounting standards

The IASB issued a number of standards, amendments to standards and interpretations during the year ended 31 March 2017.

(i) The following amended accounting standards have been adopted by the group and are applicable for the first time during the year ended 31 March 2017. These pronouncements had no significant effect on the group's financial statements:

Standard/Interpretation	Title
IAS 1	*Disclosure Initiative*
IAS 38/IAS 16	*Clarification of Acceptable Methods of Depreciation and Amortisation*
IFRS 11	*Acquisition of an Interest in a Joint Operation*
Various	*Annual Improvements to IFRS 2012 – 2014 Cycle 2014*

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(u) Recently issued accounting standards (continued)

(ii) The following new standards, interpretations and amendments to existing standards are not yet effective as at 31 March 2017. The group is currently evaluating the effects of these standards and interpretations, which have not been early adopted:

Standard/Interpretation	Title	Effective for year ending
IFRS 9	*Financial Instruments*	March 2018
IFRS 10/IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined by the IASB
IFRS 15[1]	*Revenue from Contracts with Customers*	March 2019
IFRS 16	*Leases*	March 2019
IFRIC 22	*Foreign Currency Transactions and Advance Consideration*	March 2019

(1) The group has performed a preliminary impact assessment and, as at 31 March 2017, does not expect the application of IFRS 15 to have a significant impact on the group's financial statements.

3. SIGNIFICANT ACQUISITIONS AND DIVESTITURES

Financial year ended 31 March 2017

In November 2016 the group acquired a 100% interest in Citrus Pay, a leading Indian payments technology player, to expand the payments business's Indian footprint. Citrus Pay forms part of the Indian operations of PayU, the group's global online payment service provider. The transaction was accounted for as a business combination. The total purchase consideration amounted to US$112m. In addition, an employment-linked prepayment of US$18m was recognised as a transaction separate from the business combination. This amount will be expensed in the income statement over the service period. The purchase price allocation: net debt US$1m; net working capital US$2m; intangible assets US$15m; deferred tax liability of US$5m and the balance of US$105m to goodwill. The main classes of intangible assets recognised in the business combination were trademarks, customer bases and technology.

As part of its strategy to consolidate the growing US online classifieds market, the US operations of Wallapop S.L. (Wallapop) were absorbed into the group's letgo business during July 2016. As consideration for the contribution of Wallapop's business and cash of US$45m, Wallapop was issued with a 45% interest in a newly formed entity in the US, with the group holding the remaining 55% interest. The transaction was accounted for as a business combination. The total deemed purchase consideration amounted to US$126m, representing the fair value of the equity interest issued to Wallapop. Given the early-stage nature of the business model, the transaction gave rise to the recognition of goodwill of US$126m. A non-controlling interest of US$45m was recognised following the business combination.

The main factor contributing to the goodwill recognised in these acquisitions is the acquiree's market presence. The goodwill that arose is not expected to be deductible for income tax purposes. Total acquisition-related costs of US$2m were recorded in "Gains on acquisitions and disposals" in the income statement regarding the above acquisitions.

Since the acquisition dates of the above transactions, revenue of US$8m and net losses of US$182m have been included in the income statement relating to the acquired businesses. Had the revenue and net results of the acquired businesses been included from 1 April 2016, group revenue and net profit would have amounted to US$6.11bn and US$2.80bn respectively.

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

The group made its first investment targeting the education technology market by investing US$13m (23.6% fully diluted interest) in Brainly (May 2016), a social learning network. The group also invested US$70m (10.6% fully diluted interest) in Udemy (June and October 2016), an online education marketplace with over 7 million students enrolled, and US$22m (19.2% fully diluted interest) in Codecademy (June 2016), a leading global platform focused on online coding education. The group accounts for these interests as investments in associates.

In January 2017 the group merged its Indian online travel business, ibibo, with Nasdaq-listed MakeMyTrip Limited, in exchange for a 40% fully-diluted interest in MakeMyTrip Limited. A gain on disposal of US$228m was recognised in "Gains on acquisitions and disposals" in the income statement following the transaction. The group accounts for its interest as an investment in an associate.

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

In May 2016 the group disposed of its Czech online comparison-shopping platform Heureka for a cash consideration of US$67m, following the receipt of regulatory approval. A gain on disposal of US$61m was recognised in "Gains on acquisitions and disposals" in the income statement following the transaction.

During July 2016 the group disposed of its Czech online retail and ecommerce platform Netretail for a cash consideration of US$102m. A loss on disposal of US$28m has been recognised in "Gains on acquisitions and disposals" in the income statement.

During January 2017, following the receipt of regulatory approval, the group concluded the disposal of Allegro.pl and Ceneo.pl, the leading online marketplace and price comparison businesses in Poland for net proceeds of US$3.21bn. A gain on disposal of US$1.94bn was recognised in "Gains on acquisitions and disposals" in the income statement following the transaction.

Investments acquired and funding rounds participated in were funded through the utilisation of existing credit facilities and proceeds received from disposals during the reporting period.

3. SIGNIFICANT ACQUISITIONS AND DIVESTITURES (continued)

Financial year ended 31 March 2016

The group acquired an additional 49.0% interest in its associate Avito AB (Avito), the leading online classifieds platform in Russia, during December 2015. The additional investment resulted in the group holding a 67.5% interest in Avito on a fully diluted basis and was accounted for as a business combination. The total purchase consideration amounted to US$1.67bn representing cash paid to the former owners of Avito of US$1.23bn, the fair value of the group's previously held equity interest in Avito of US$411m as well as the acquisition-date fair value of Avito's vested share-based incentive awards of US$22m. A gain of US$324m has been recognised in "Gains on acquisitions and disposals" in the income statement on the remeasurement of the group's previously held equity interest in Avito to its fair value. The purchase price allocation: property, plant and equipment US$6m; cash US$24m; trade and other receivables US$9m; deferred tax assets US$2m; intangible assets US$812m; trade and other payables US$18m; deferred tax liabilities US$161m and the balance of US$1.19bn to goodwill. The main classes of intangible assets recognised in the business combination were brand names, customer bases and software. The transaction gave rise to the recognition of a non-controlling interest of US$195m, which has been measured at the non-controlling interest's proportionate share of the identifiable net assets of Avito as at the acquisition date.

In May 2015 the group invested US$10m in Ambatana Holdings B.V. (Ambatana), an entity operating a hyperlocal classifieds marketplace app under the letgo brand. The investment resulted in Ambatana being accounted for as an associate of the group. A further US$50m was invested in Ambatana during September 2015, resulting in the group holding a 67.5% interest on a fully diluted basis following the investment. The additional investment was accounted for as a business combination with an effective date of 30 September 2015. The total purchase consideration amounted to US$58m representing the fair value of the group's previously held equity interest in Ambatana of US$34m and the fair value of a call option granted to the former owners of Ambatana amounting to US$24m. The cash invested and cash consideration still payable, in aggregate amounting to US$50m, remains within the group following the transaction and is accordingly not disclosed as part of the consideration transferred by the group or assets of Ambatana acquired, although it did affect the amount of goodwill recognised in the business combination. A gain of US$24m has been recognised in "Gains on acquisitions and disposals" in the income statement on the remeasurement of the group's previously held equity interest in Ambatana to its fair value. The purchase price allocation: cash US$1m; other receivables US$1m; trade and other payables US$3m and the balance of US$74m to goodwill. The transaction gave rise to the recognition of a non-controlling interest of US$15m, which has been measured at the non-controlling interest's proportionate share of the identifiable net assets of Ambatana as at the acquisition date. On 31 March 2016, the call option granted to the former owners of Ambatana was settled, resulting in the group holding a 55.0% interest in Ambatana on a fully diluted basis at year-end.

Since the acquisition dates of the above business combinations, revenue of US$31m and net results (losses) of US$60m have been included in the income statement relating to Ambatana and Avito. Had the revenue and net results of Ambatana and Avito been included from 1 April 2015, group revenue and net profit would have amounted to US$6.01bn and US$1.02bn, respectively.

The main factor contributing to the goodwill recognised in the acquisitions is the acquiree's market presence. The goodwill that arose is not expected to be deductible for income tax purposes. Total acquisition-related costs of US$8m were recorded in "Gains on acquisitions and disposals" in the income statement regarding the above-mentioned acquisitions.

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

During April 2015 the group invested US$41m in its joint venture Konga Online Shopping Limited (Konga). Following the additional investment, the group continues to exert joint control over Konga with its 50.9% interest on a fully diluted basis.

The group's associate Flipkart Limited (Flipkart) undertook two funding rounds during April and July 2015 in which the group did not participate. The 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$61m in "Dilution gains on equity-accounted investments" in the income statement. Following the dilutions, the group now holds a 15.0% interest in Flipkart on a fully diluted basis.

3. SIGNIFICANT ACQUISITIONS AND DIVESTITURES (continued)

Financial year ended 31 March 2016 (continued)

During May 2015 the group invested US$10m in its joint venture Souq Group Limited (Souq) as part of a funding round. Souq undertook further 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 Souq and in the recognition of an aggregate net dilution gain of US$75m in "Dilution gains on equity-accounted investments" in the income statement. Following the dilutions, the group now holds a 36.4% interest in Souq on a fully diluted basis.

The group also recognised dilution losses of US$42m during the year relating to dilutions in its shareholding in Tencent on account of the exercise of share-based incentive awards by Tencent's employees.

The group invested US$20m in its available-for-sale investment Avenida Inc. (Avenida) during July 2015. The transaction resulted in Avenida becoming an associate and the group now holds a 23.4% interest in Avenida on a fully diluted basis.

The group invested US$54m as part of a funding round of its associate Takealot Online (RF) Proprietary Limited (Takealot) during August 2015. The group holds a 42.4% interest in Takealot on a fully diluted basis.

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

During September 2015 the group disposed of its interest in its subsidiary Ricardo.ch AG following approval of the transaction by regulatory authorities. The proceeds on sale amounted to US$248m and a gain of US$76m was recognised in "Gains on acquisitions and disposals" in the income statement following the transaction.

The group disposed of its interest in its subsidiary Korbitec Proprietary Limited during November 2015 for US$33m following the receipt of regulatory approval. A gain of US$24m was recognised in "Gains on acquisitions and disposals" in the income statement following the transaction.

During March 2016, the group disposed of its interest in its subsidiary PayProp Group Services Proprietary Limited for US$10m. The disposal gave rise to the recognition of a gain of US$4m in "Gains on acquisitions and disposals" in the income statement.

The group disposed of its 9.9% interest in Beijing Media Corporation during August 2015 for a cash consideration of US$12m. The transaction resulted in the recognition of an aggregate gain on disposal of US$11m, which has been recognised in "Gains on acquisitions and disposals" in the income statement.

Investments acquired and funding rounds participated in were funded through the utilisation of existing credit facilities, proceeds received from disposals during the reporting period as well as the proceeds from the equity raise during December 2015.

4. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings US$'m	Manu-facturing equip-ment US$'m	Trans-mission equip-ment US$'m	Vehicles, computers and office equip-ment US$'m	Total US$'m
1 April 2016					
Cost	302	204	1 387	295	2 188
Accumulated depreciation and impairment	(65)	(110)	(477)	(176)	(828)
Carrying value at 1 April 2016	237	94	910	119	1 360
Foreign currency translation effects	10	9	(4)	2	17
Transferred to assets classified as held for sale	(65)	(95)	(1)	(4)	(165)
Acquisitions of subsidiaries and businesses	-	-	-	1	1
Disposals of subsidiaries and businesses	(2)	-	-	(17)	(19)
Acquisitions	32	17	533	65	647
Disposals/scrappings	(1)	(1)	(2)	(3)	(7)
Impairment	-	(10)	(10)	-	(20)
Depreciation	(15)	(12)	(136)	(51)	(214)
31 March 2017					
Cost	258	3	1 910	274	2 445
Accumulated depreciation and impairment	(62)	(1)	(620)	(162)	(845)
Carrying value at 31 March 2017	196	2	1 290	112	1 600
Work in progress at 31 March 2017					38
Total carrying value at 31 March 2017					1 638

4. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings US$'m	Manu-facturing equip-ment US$'m	Trans-mission equip-ment US$'m	Vehicles, computers and office equip-ment US$'m	Total US$'m
1 April 2015					
Cost	258	236	1 222	317	2 033
Accumulated depreciation and impairment	(64)	(122)	(406)	(196)	(788)
Carrying value at 1 April 2015	194	114	816	121	1 245
Foreign currency translation effects	(42)	(19)	(69)	(9)	(139)
Transferred to assets classified as held for sale	-	-	(1)	(23)	(24)
Acquisitions of subsidiaries and businesses	2	-	-	4	6
Disposals of subsidiaries and businesses	-	-	-	(3)	(3)
Acquisitions	98	11	307	81	497
Disposals/scrappings	(2)	-	(18)	(3)	(23)
Impairment	-	-	(13)	-	(13)
Depreciation	(13)	(12)	(112)	(49)	(186)
31 March 2016					
Cost	302	204	1 387	295	2 188
Accumulated depreciation and impairment	(65)	(110)	(477)	(176)	(828)
Carrying value at 31 March 2016	237	94	910	119	1 360
Work in progress at 31 March 2016					83
Total carrying value at 31 March 2016					1 443

4. PROPERTY, PLANT AND EQUIPMENT (continued)

The carrying value of work in progress mainly comprises DTT broadcasting equipment relating to the video-entertainment segment and land and buildings that are under construction.

The group recognised impairment losses of US$27.4m (2016: US$12.8m) on property, plant and equipment, relating mainly to DTT broadcasting equipment of US$17.2m (US$7.1m is presented within work in progress) and printing equipment of US$10.2m due to the non-performance of these assets. The impairment losses have been included in "Other (losses)/gains – net" in the income statement. Of the total impairment losses of US$27.4m, US$17.2m (2016: US$12.8m) has been included in the video-entertainment segment and US$10.2m (2016: US$nil) in the media segment. The prior year impairment loss of US$12.8m related to DTT broadcasting equipment. The recoverable amounts of the assets impaired amounted to US$4.6m (2016: US$nil) and have been determined on a value in use basis.

During the year, property, plant and equipment with a carrying amount of US$176.0m was transferred to assets classified as held for sale (refer to note 16) of which US$10.0m was transferred from work in progress.

The carrying values of assets capitalised under finance leases are as follows:

	31 March	
	2017 US$'m	2016 US$'m
Land and buildings	**7**	8
Transmission equipment	**1 062**	629
Vehicles, computers and office equipment	**1**	1
	1 070	638

Included in the acquisition of property, plant and equipment is an amount of US$432.5m (2016: US$234.5m) relating to leased assets, which are non-cash in nature. The non-cash additions during the current year include transmission equipment of US$422.9m that was capitalised on commencement of the IS20B satellite transponder lease during September 2016. Refer to note 24 for details of the group's assets pledged as security.

5. GOODWILL

	31 March 2017 US$'m	31 March 2016 US$'m
Cost		
Opening balance	**3 175**	2 170
Foreign currency translation effects	**230**	(82)
Acquisitions of subsidiaries and businesses	**244**	1 260
Disposals of subsidiaries and businesses	**(821)**	(18)
Transferred to assets classified as held for sale(1)	**(38)**	(155)
Closing balance	**2 790**	3 175
Accumulated impairment		
Opening balance	**357**	279
Foreign currency translation effects	**20**	(56)
Impairment	**5**	145
Remeasurement to fair value less costs of disposal	**2**	-
Disposals of subsidiaries and businesses	**(35)**	(11)
Transferred to assets classified as held for sale(1)	**(1)**	-
Closing balance	**348**	357
Carrying value	**2 442**	2 818

(1) *Included in the amount transferred to held for sale is US$5.6m which relates to INET BFA Proprietary Limited that was classified as held for sale at 30 September 2016. This entity was sold before 31 March 2017.*

The group recognised impairment losses on goodwill of US$5.2m (2016: US$145.4m). Impairment losses have been included in “Other (losses)/gains – net” in the income statement. Of this impairment loss, US$1.6m (2016: US$5.1m) has been included in the video-entertainment segment, US$3.2m (2016: US$139.9m) in the internet segment and US$0.4m (2016: US$0.4m) in the media segment.

The other impairment losses relate to small internet, video-entertainment and media investments where growth has lagged behind management’s expectations. The recoverable amounts of the cash-generating units to which the impairment losses relate were US$nil. In the prior year, US$139.9m of the impairment loss recognised related to the group’s investment in its online comparison shopping business Buscapé.

Management used 10-year projected cash flow models, growth rates ranging between 1% and 5% and discount rates ranging between 14% and 21% in measuring the impairment losses. The group uses 10-year projected cash flow models as many businesses, particularly those engaged in ecommerce, have monetisation timelines longer than five years.

Impairment testing of goodwill

The group has allocated goodwill to various cash-generating units. The recoverable amounts of these cash-generating units have been determined based on value in use calculations. Value in use is based on discounted cash flow calculations. The group based its cash flow calculations on three-to-ten year budgeted and forecast information approved by senior management and/or the various boards of directors of group companies. Long-term average growth rates for the respective countries in which the entities operate or, where more appropriate, the growth rate of the cash-generating units, were used to extrapolate cash flows into the future. The discount rates used reflect specific risks relating to the relevant cash-generating units and the countries in which they operate whilst maximising the use of market observable data. Other assumptions included in cash flow projections vary widely between cash-generating units due to the group’s diverse range of business models, and are closely linked to entity-specific key performance indicators.

5. GOODWILL (continued)

Impairment testing of goodwill (continued)

The group allocated goodwill to the following groups of cash-generating units:

	Carrying value of goodwill US$'m	Basis of determi-nation of recoverable amount	Discount rate applied to cash flows %	Growth rate used to extra-polate cash flows %
Groups of cash-generating units				
Avito Holding AB	1 474	Value in use	14.0	5.0
OLX Philippines	13	Value in use	17.0	4.0
Citrus Pay[1]	105	-	-	-
Multichoice South Africa group	243	Value in use	15.0	3.0
OLX B.V.	77	Value in use	16.0	3.0
Ambatana Holding B.V. (letgo)[2]	200	-	-	-
Dubizzle Limited (BVI)	68	Value in use	14.0	4.0
OLX Indonesia	61	Value in use	17.0	4.0
Dante International S.A. (eMAG)	47	Value in use	14.0	3.0
Movile Internet Movel S.A.	37	Value in use	18.0	5.0
FixeAds B.V.	12	Value in use	15.0	1.5
Irdeto group	16	Value in use	15.0	1.0
OLX Ukraine	11	Value in use	21.0	3.0
Travel Boutique Online	8	Value in use	18.0	5.0
New Media Proprietary Limited	8	Value in use	14.3	2.0
Various other units	62	Value in use	Various	Various
	2 442			

[1] This cash-generating unit includes goodwill from acquisitions that were made during the year and which amounts were accordingly not assessed for impairment.

[2] Due to the start-up nature of this business, the goodwill recognised is supported based on transaction values observed in recent funding rounds as well as an assessment of various key performance indicators specific to the business.

Post-tax discount rates have been applied as value in use was determined using post-tax cash flows.

If the discount rate applied to cash flows were to increase by 5% and the growth rate used to extrapolate cash flows were to decrease by 5%, there would be no further significant impairments that would have to be recognised.

6. OTHER INTANGIBLE ASSETS

	Intellectual property rights and patents US$'m	Customer related assets US$'m	Brand names and title rights US$'m	Software US$'m	Total US$'m
1 April 2016					
Cost	88	859	896	209	2 052
Accumulated amortisation and impairment	(78)	(408)	(271)	(108)	(865)
Carrying value at 1 April 2016	10	451	625	101	1 187
Foreign currency translation effects	2	70	83	8	163
Acquisitions of subsidiaries and businesses	-	12	3	1	16
Disposals of subsidiaries and businesses	1	(18)	(59)	(8)	(84)
Acquisitions	1	9	1	29	40
Transferred to assets classified as held for sale	-	-	-	(3)	(3)
Transferred to property, plant and equipment	-	(61)	-	-	(61)
Disposals	-	-	-	(3)	(3)
Impairment	(2)	(4)	(18)	(1)	(25)
Amortisation	(2)	(42)	(55)	(29)	(128)
Carrying value at 31 March 2017					
Cost	86	711	820	204	1 821
Accumulated amortisation and impairment	(76)	(294)	(240)	(109)	(719)
Carrying value at 31 March 2017	10	417	580	95	1 102
Work in progress at 31 March 2017					2
Total carrying value at 31 March 2017					1 104

6. OTHER INTANGIBLE ASSETS (continued)

	Intellectual property rights and patents US$'m	Customer related assets US$'m	Brand names and title rights US$'m	Software US$'m	Total US$'m
1 April 2015					
Cost	94	522	517	177	1 310
Accumulated amortisation and impairment	(85)	(425)	(247)	(108)	(865)
Carrying value at 1 April 2015	9	97	270	69	445
Foreign currency translation effects	-	20	2	(7)	15
Acquisitions of subsidiaries and businesses	6	367	420	19	812
Disposals of subsidiaries and businesses	-	(3)	(1)	-	(4)
Acquisitions	-	24	7	56	87
Transferred to assets classified as held for sale	-	(28)	(23)	(3)	(54)
Disposals	(3)	(1)	(4)	(2)	(10)
Impairment	-	-	(6)	(4)	(10)
Amortisation	(2)	(25)	(40)	(27)	(94)
31 March 2016					
Cost	88	859	896	209	2 052
Accumulated amortisation and impairment	(78)	(408)	(271)	(108)	(865)
Carrying value at 31 March 2016	10	451	625	101	1 187
Work in progress at 31 March 2016					3
Total carrying value at 31 March 2016					1 190

The group recognised impairment losses on other intangible assets of US$25.2m (2016: US$9.6m). The recoverable amounts of the intangible assets impaired amounted to US$nil. The intangible assets impaired were written off in full as no future cash inflows are associated with them.

The impairment losses have been included in “Other (losses)/gains – net” in the income statement, of which US$22.5m (2016: US$5.4m) has been included in the internet segment, US$2.7m (2016: US$nil) in the video-entertainment segment and US$nil (2016: US$4.2m) in the media segment.

7. INVESTMENTS IN SUBSIDIARIES

Apart from Movile Internet Movel S.A., Dante International S.A. and FixeAds Servicos de Internet S.A., all subsidiaries have the same financial year-end as Naspers Limited.

The following information relates to the group's interest in its significant subsidiaries:

Name of subsidiary	Effective percentage interest[1] 2017 %	2016 %	Nature of business	Country of incorporation	Functional currency	D or I
Unlisted companies						
Investment holding companies						
MIH Holdings Proprietary Limited	**100.0**	100.0	Investment holding	South Africa	ZAR	D
MIH Ming He Holdings Limited	**100.0**	100.0	Investment holding	Hong Kong	US$	I
Myriad International Holdings B.V.	**100.0**	100.0	Investment holding	The Netherlands	US$	I
Video entertainment						
MultiChoice South Africa Holdings Proprietary Limited	**80.0**	80.0	Subscription television	South Africa	ZAR	I
Electronic Media Network Proprietary Limited (M-Net)	**80.0**	80.0	Video-entertainment content provider	South Africa	ZAR	I
SuperSport International Holdings Proprietary Limited	**80.0**	80.0	Video-entertainment content provider	South Africa	ZAR	I
Showmax B.V.	**100.0**	100.0	Subscription video-on-demand	The Netherlands	US$	I
MultiChoice Africa Holdings B.V.	**100.0**	100.0	Investment holding	The Netherlands	US$	I
Irdeto B.V.	**100.0**	100.0	Technology development	The Netherlands	US$	I
Internet						
Avito AB	**70.5**	71.3	Classifieds	Sweden	SEK	I
Ambatana Holdings B.V. (letgo)	**69.7**	56.3	Classifieds	The Netherlands	US$	I
Letgo USA B.V.	**41.6**	-	Classifieds	The Netherlands	US$	I

[1] The percentage interest shown is the financial effective interest, after adjusting for the interests of the group's equity compensation plans treated as treasury shares and taking into account retention options. The group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies.

Notes

D: Direct interest.

I: Combined direct and indirect effective interest.

7. INVESTMENTS IN SUBSIDIARIES (continued)

Name of subsidiary	Effective percentage interest[1] 2017 %	2016 %	Nature of business	Country of incorporation	Functional currency	D or I
PayU Global B.V.	**97.6**	97.9	Payments platform	The Netherlands	US$	I
BuscaPé.com Inc.	**100. 0**	100.0	Comparative shopping and ecommerce	Brazil	BRL	I
MIH India Global Internet Limited (ibibo)[2]	**-**	91.3	Internet related services	India	INR	I
Movile Internet Movel S.A.	**70.7**	65.9	Mobile value added services	Brazil	BRL	I
OLX B.V.	**99.9**	98.9	Classifieds	The Netherlands	US$	I
FixeAds Servicos de Internet S.A.	**99.9**	98.9	Classifieds	Portugal	EUR	I
Silver Indonesia JVCo B.V. (OLX Indonesia)	**40.5**	40.5	Classifieds	The Netherlands	EUR	I
Netrepreneur Connections Enterprises Inc. (Sulit)	**91.6**	95.3	Classifieds	Phillippines	PHP	I
Dubizzle Limited (BVI)	**53.7**	53.7	Classifieds	UAE	AED	I
Netretail Holdings B.V. [2]	**-**	80.0	Retail and ecommerce	Czech Republic	CZK	I
MIH B2C Holdings B.V. (previously Intervision (Services) Holdings B.V.)	**100.0**	100.0	Investment holding	The Netherlands	US$	I
Dante International S.A. (eMAG)	**77.1**	77.2	Retail and ecommerce	Romania	RON	I
Tek Travel Private Limited (Travel Boutiques Online)	**47.3**	47.3	Online travel portal	India	INR	I
Vipindirim Elektronik Hozmetler ve Ticaret A.S. (Markafoni)	**100.0**	100.0	Retail and ecommerce	Turkey	TRY	I
Citrus Payment Solutions Private Limited	**100.0**	-	Payments	India	INR	D
Print						
Media24 Holdings Proprietary Limited	**85.0**	85.0	Investment holding	South Africa	ZAR	D
Media24 Proprietary Limited	**85.0**	85.0	Publishing	South Africa	ZAR	I
Novus Holdings Limited	**52.0**	52.0	Printing	South Africa	ZAR	I

[1] The percentage interest shown is the financial effective interest, after adjusting for the interests of the group's equity compensation plans treated as treasury shares and taking into account retention options. The group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies.

[2] The group disposed of its interests in Netretail and ibibo during the year - refer to note 3.

Notes

D: Direct interest.

I: Combined direct and indirect effective interest.

7. INVESTMENTS IN SUBSIDIARIES (continued)

The summarised financial information contained below relates to subsidiaries of the group that are considered to have significant non-controlling interests:

	Media24 Holdings Proprietary Limited		MultiChoice South Africa Holdings Proprietary Limited	
	31 March 2017 US$'m	31 March 2016 US$'m	**31 March 2017 US$'m**	31 March 2016 US$'m
Summarised statement of financial position				
Non-current assets	**55**	228	**1 338**	865
Current assets	**101**	173	**735**	723
Assets classified as held for sale	**264**	4	**28**	9
Total assets	**420**	405	**2 101**	1 597
Non-current liabilities	**18**	36	**754**	380
Current liabilities	**129**	152	**728**	656
Liabilities classified as held for sale	**54**	-	**16**	1
Total liabilities	**201**	188	**1 498**	1 037
Accumulated non-controlling interests	**110**	101	**121**	111
Summarised income statement				
Revenue	**576**	593	**2 900**	2 593
Net profit/(loss) for the year	**(6)**	8	**487**	445
Other comprehensive income	**-**	-	**(40)**	8
Total comprehensive income	**(6)**	8	**447**	453
Profit attributable to non-controlling interests	**6**	13	**89**	89
Dividends paid to non-controlling interests	**6**	6	**95**	89
Summarised statement of cash flows				
Cash flows generated from operating activities	**25**	45	**630**	496
Cash flows utilised in investing activities	**(8)**	(24)	**(52)**	(87)
Cash flows utilised in financing activities	**(20)**	(21)	**(568)**	(416)

7. INVESTMENTS IN SUBSIDIARIES (continued)

The summarised financial information contained below relates to subsidiaries of the group that are considered to have significant non-controlling interests (continued):

	Avito AB	
	31 March 2017 US$'m	31 March 2016 US$'m
Summarised statement of financial position		
Non-current assets	**2 441**	2 098
Current assets	**71**	27
Total assets	**2 512**	2 125
Non-current liabilities	**183**	166
Current liabilities	**33**	17
Total liabilities	**216**	183
Accumulated non-controlling interests	**237**	202
Summarised income statement		
Revenue	**204**	31
Trading profit	**109**	14
Net profit for the year	**24**	-
Other comprehensive income	**20**	88
Total comprehensive income	**44**	88
Profit attributable to non-controlling interests	**8**	-
Dividends paid to non-controlling interests	**14**	-
Summarised statement of cash flows		
Cash flows generated from operating activities	**63**	12
Cash flows (utilised in)/generated from investing activities	**(13)**	24
Cash flows utilised in financing activities	**(14)**	(21)

8. INVESTMENTS IN ASSOCIATES

The following information relates to the group's financial interest in its significant associates:

Name of associated company	Effective percentage interest[1] 2017 %	2016 %	Nature of business	Country of incorporation	Functional currency	Year-end
Listed companies						
Tencent Holdings Limited	**33.3**	33.5	Internet-related services	China	CNY	December
Mail.ru Group Limited	**28.7**	29.0	Internet-related services	Russia	RUB	December
MakeMyTrip Limited[2]	**43.2**	-	Online travel	Mauritius	INR	March
Unlisted companies						
Flipkart Limited[3]	**16.5**	16.5	Ecommerce	India	US$	March
Silver Bangladesh JVCo B.V. (Ekhanei)	**49.7**	49.7	Classifieds	The Netherlands	US$	December
Silver Thailand JVCo B.V. (Kaidee)	**44.1**	44.1	Classifieds	The Netherlands	US$	December
SimilarWeb Limited	**28.8**	29.4	Internet metrics	Israel	NIS	December
Avenida Inc.	**-**	24.8	Retail and ecommerce	Argentina	ARS	June
Takealot Online (RF) Proprietary Limited	**47.1**	47.1	Retail and ecommerce	South Africa	ZAR	February
Twiggle Limited[3]	**13.9**	13.2	Ecommerce search	Israel	NIS	December
Udemy Inc.[3]	**12.0**	-	Educational technology	United States of America	US$	March
Ryzac Inc. (Codecademy)	**21.3**	-	Educational technology	United States of America	US$	December
Brainly Inc.	**26.0**	-	Educational technology	United States of America	US$	December
Agrisight Inc. (FarmLogs)[3]	**11.7**	-	Agricultural technology	United States of America	US$	December

[1] *The percentage interest shown is the financial effective interest, after adjusting for the interests of the group's equity compensation plans treated as treasury shares and taking into account retention options. The group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies.*

[2] *Refer to note 3 for the acquisition of the group's interest during the current year.*

[3] *The group accounts for its interest as an investment in an associate on account of its board representation.*

Adjustments are made for significant transactions that take place where the year-ends of associates are not coterminous with that of Naspers Limited.

8. INVESTMENTS IN ASSOCIATES (continued)

The fair values of the group's investments in its listed associates are detailed below:

	31 March 2017 US$'m	31 March 2016 US$'m
Listed investments		
Tencent Holdings Limited	**90 347**	64 347
Mail.ru Group Limited	**1 340**	1 316
MakeMyTrip Limited	**1 363**	-

The above fair values have been measured using quoted prices in active markets and the disclosed amounts therefore represent level 1 fair-value measurements.

	31 March 2017 US$'m	31 March 2016 US$'m
Opening balance	**7 625**	6 058
Associates acquired - gross consideration	**611**	115
net assets acquired	**210**	96
goodwill and other intangibles recognised	**428**	20
deferred taxation recognised	**(27)**	(1)
Associates disposed of	**(21)**	(98)
Share of current year other reserve movements	**1 103**	633
Share of equity-accounted results	**1 896**	1 404
net income before amortisation	**2 873**	2 004
amortisation/impairment recognised by associates	**(472)**	(215)
taxation	**(505)**	(385)
Equity-accounted results due to purchase accounting	**(7)**	(7)
amortisation of other intangible assets	**(9)**	(9)
realisation of deferred taxation	**2**	2
Impairment	**-**	(2)
Dividends received	**(191)**	(146)
Foreign currency translation effects	**(113)**	(361)
Dilution (losses)/gains	**(119)**	29
Closing balance	**10 784**	7 625
Investments in associates		
Listed	**10 127**	6 977
Unlisted	**657**	648
Total investments in associates	**10 784**	7 625

8. INVESTMENTS IN ASSOCIATES (continued)

The group recognised US$1.9bn (2016: US$1.4bn) from associates as its share of equity-accounted results in the income statement. Cumulative unrecognised losses relating to associates that have been fully impaired, amounted to US$107.7m (2016: US$64.9m) as at 31 March 2017.

Total dilution losses of US$118.8m (2016: dilution gains of US$29.0m) have been included in "Dilution (losses)/gains on equity-accounted investments" in the income statement. The net dilution losses relates mainly to dilutions in the group's shareholding in Flipkart and Tencent. During the prior year, the net dilution gain related mainly to dilutions in the group's shareholding in Flipkart and Tencent. The total dilution loss presented in the income statement also includes the reclassification of a portion of the group's foreign currency translation reserve from other comprehensive income to the income statement following shareholding dilutions.

The group's share of equity-accounted investments' other comprehensive income and reserves relates mainly to the revaluation of the associates' available-for-sale investments.

8. INVESTMENTS IN ASSOCIATES (continued)

Material associates' summarised financial information

	31 March Tencent Holdings Limited		31 March Mail.ru Group Limited	
	2017 US$'m	2016 US$'m	**2017 US$'m**	2016 US$'m
Dividends received	**191**	146	**-**	-
Non-current assets	**36 510**	23 226	**3 103**	2 533
Current assets	**21 657**	24 093	**232**	364
Total assets	**58 167**	47 319	**3 335**	2 897
Non-current liabilities	**15 748**	9 352	**125**	262
Current liabilities	**14 694**	19 291	**265**	246
Total liabilities	**30 442**	28 643	**390**	508
Revenue	**22 483**	16 140	**642**	599
Net profit from continuing operations	**6 101**	4 438	**34**	177
Other comprehensive income	**1 847**	2 011	**12**	(2)
Total comprehensive income	**7 948**	6 449	**46**	175

Reconciliation of summarised financial information to carrying value of investment

	31 March Tencent Holdings Limited		31 March Mail.ru Group Limited	
	2017 US$'m	2016 US$'m	**2017 US$'m**	2016 US$'m
Opening net assets	**18 676**	13 428	**2 389**	2 510
Profit for the year	**6 101**	4 438	**34**	177
Other comprehensive income	**1 847**	2 011	**12**	(2)
Transactions with equity holders	**2 880**	(276)	**1**	-
Dividends	**(573)**	(435)	**-**	-
Foreign currency translation effects	**(1 205)**	(489)	**471**	(337)
Other	**-**	-	**39**	40
Closing net assets	**27 726**	18 677	**2 946**	2 388
Non-controlling interests	**1 688**	320	**1**	-
Interest in associate (at year-end)	**8 658**	6 149	**845**	693
Goodwill	**11**	11	**145**	124
Carrying value of investment	**8 669**	6 160	**990**	817

8. INVESTMENTS IN ASSOCIATES (continued)

Other associates' summarised financial information

	31 March 2017 US$'m	31 March 2016 US$'m
Net loss from continuing operations	**(156)**	(158)
Other comprehensive income	**15**	101
Total comprehensive loss	**(141)**	(57)
Carrying value of investments	**1 125**	648
Total carrying value of investments in associates	**10 784**	7 625

The group's interest in the associates' contingent liabilities as at 31 March 2017 amounted to US$nil (2016: US$nil).

9. INVESTMENTS IN JOINT VENTURES

The following information relates to the group's financial interest in its significant joint ventures:

Name of joint venture	**Effective percentage interest[(1)]** 2017 %	2016 %	**Nature of business**	**Country of incorporation**	**Functional currency**	**Year-end**
Unlisted companies						
Souq Group Limited	**36.4**	36.4	Ecommerce	Singapore	US$	December
Konga Online Shopping Limited	**50.9**	50.9	Ecommerce	Nigeria	NGN	December
Silver Brazil JVCo B.V. (OLX Brazil)	**49.9**	49.5	Classifieds	The Netherlands	US$	December
El Cocinero a Cuerda S.L. (SinDelantal)	**23.1**	-	Ecommerce	Spain	EUR	December

Note

[(1)] *The percentage interest shown is the financial effective interest, after adjusting for the interests of the group's equity compensation plans treated as treasury shares and taking into account retention options. The group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies.*

Adjustments are made for significant transactions that take place where the year-ends of joint ventures are not coterminous with that of Naspers Limited.

9. INVESTMENTS IN JOINT VENTURES (continued)

	31 March 2017 US$'m	31 March 2016 US$'m
Opening balance	**218**	228
Joint ventures acquired - gross consideration	**33**	80
net assets acquired	**30**	66
goodwill and other intangibles recognised	**3**	14
Joint ventures classified as held for sale (refer to note 16)	**(102)**	(4)
Share of current year other reserve movements	**2**	-
Share of equity-accounted results	**(57)**	(105)
net loss before amortisation	**(57)**	(105)
Equity-accounted results due to acquisition accounting	**(3)**	(3)
amortisation of other intangible assets	**(3)**	(3)
Impairment	**-**	(53)
Dividends received	**(2)**	(1)
Dilution gains	**-**	75
Foreign currency translation effects	**(10)**	1
Closing balance	**79**	218

The group recognised US$59.5m (2016: US$108.0m) as its share of equity-accounted losses from joint ventures in the income statement. Cumulative unrecognised losses relating to joint ventures that have been fully impaired, amounted to US$21.6m (2016: US$nil) as at 31 March 2017.

No impairment losses (2016: US$53.0m) on investments in joint ventures of have been recorded. In the prior year, impairment losses on investments in joint ventures of US$53.0m were recorded on Konga Online Shopping. The recoverable amount was calculated on a value-in-use basis using a 10-year projected cash flow model. Impairment losses have been included in “Impairment of equity-accounted investments” in the income statement.

The group’s share of joint ventures’ other comprehensive income and reserves relates mainly to share-based compensation transactions.

None of the group’s interests in joint ventures are considered to be individually material. The group had no interest in the joint ventures’ capital commitments or contingent liabilities at 31 March 2017 and 2016.

10. INVESTMENTS AND LOANS

	31 March	
	2017	2016
	US$'m	US$'m
Available-for-sale investments [(1)]	**43**	34
Investments in preference shares and convertible notes of associates	**15**	6
Loans to related parties	**8**	3
Other loans and receivables	**16**	14
Total investments and loans	**82**	57

[(1)] Included in available-for-sale investments is an amount of US$30.0m (2016: US$22.4m) relating to equity investments and investments in funds that are measured at cost less accumulated impairment losses. The fair value of these investments cannot be measured with sufficient reliability on account of the group's minority shareholding and the associated lack of future cash flow information. There is no current intention to dispose of these investments.

Notes to the consolidated annual financial statements (continued)

for the year ended 31 March 2017

11. DEFERRED TAXATION

The deferred tax assets and liabilities and movements thereon were attributable to the following items:

	1 April 2016 US$'m	Charged to income US$'m	Charged to other compre-hensive income US$'m	Acquisition of subsi-diaries and businesses US$'m	Disposals of sub-sidiaries and businesses US$'m	Foreign exchange effects US$'m	Trans-ferred to held for sale US$'m	31 March 2017 US$'m
Deferred taxation assets								
Provisions and other current liabilities	35	(4)	-	-	(4)	8	(1)	34
Capitalised finance leases	98	114	-	-	-	11	-	223
Income received in advance	27	2	-	-	-	2	-	31
Tax losses carried forward	23	8	18	-	-	-	(5)	44
Other	25	(2)	13	-	(1)	6	(1)	40
	208	118	31	-	(5)	27	(7)	372
Deferred taxation liabilities								
Property, plant and equipment	26	(4)	-	-	-	3	(20)	5
Intangible assets	212	(23)	-	5	(18)	34	1	211
Receivables and other current assets	19	(1)	-	-	-	2	-	20
Capitalised finance leases	54	124	-	-	-	5	-	183
Programme and film rights	19	4	-	-	-	2	-	25
Other	49	-	21	-	-	(5)	-	65
	379	100	21	5	(18)	41	(19)	509
Net deferred taxation	(171)	18	10	(5)	13	(14)	12	(137)

11. DEFERRED TAXATION (continued)

	1 April 2015 US$'m	Charged to income US$'m	Charged to other compre-hensive income US$'m	Acquisition of subsi-diaries and businesses US$'m	Disposals of sub-sidiaries and businesses US$'m	Foreign exchange effects US$'m	Trans-ferred to held for sale US$'m	31 March 2016 US$'m
Deferred taxation assets								
Provisions and other current liabilities	33	7	-	-	-	(5)	-	35
Capitalised finance leases	105	12	-	-	-	(19)	-	98
Income received in advance	30	2	-	-	-	(5)	-	27
Tax losses carried forward	17	6	-	2	-	(1)	(1)	23
Other	21	4	1	7	-	(8)	-	25
	206	31	1	9	-	(38)	(1)	208
Deferred taxation liabilities								
Property, plant and equipment	32	(1)	-	-	-	(5)	-	26
Intangible assets	61	(9)	-	168	-	1	(9)	212
Receivables and other current assets	21	2	-	-	-	(4)	-	19
Capitalised finance leases	70	(4)	-	-	-	(12)	-	54
Programme and film rights	16	5	-	-	-	(2)	-	19
Other	33	3	(1)	-	-	14	-	49
	233	(4)	(1)	168	-	(8)	(9)	379
Net deferred taxation	(27)	35	2	(159)	-	(30)	8	(171)

The ultimate outcome of additional taxation assessments may vary from the amounts accrued. However, management believes that any additional taxation liability over and above the amounts accrued would not have a material adverse impact on the group's income statement and statement of financial position.

11. DEFERRED TAXATION (continued)

Deferred taxation assets and liabilities are offset when the income tax relates to the same fiscal authority and there is a legal right to offset at settlement. The following amounts are shown in the consolidated statement of financial position:

	31 March 2017 US$'m	31 March 2016 US$'m
Classification in statement of financial position		
Deferred tax assets	**128**	115
Deferred tax liabilities	**(265)**	(286)
Net deferred tax liabilities	**(137)**	(171)

The group has tax losses carried forward of approximately US$2.8bn (2016: US$3.0bn). A summary of the tax losses carried forward at 31 March 2017 by tax jurisdiction and the expected expiry dates are set out below:

	South Africa US$'m	Rest of Africa US$'m	Asia US$'m	Europe US$'m	Latin America and USA US$'m	Total US$'m
Expires in year one	**-**	**4**	**18**	**116**	**1**	**139**
Expires in year two	**-**	**6**	**30**	**92**	**2**	**130**
Expires in year three	**-**	**15**	**35**	**171**	**1**	**222**
Expires in year four	**-**	**26**	**24**	**178**	**1**	**229**
Expires in year five	**-**	**18**	**18**	**161**	**1**	**198**
Non-expiring/expires after year five	**220**	**511**	**54**	**735**	**390**	**1 910**
	220	**580**	**179**	**1 453**	**396**	**2 828**

The group recognised a deferred income tax expense of US$11.6m (2016: US$1.4m) in other comprehensive income as a result of changes in the fair value of derivative financial instruments that relate to cash flow hedges of foreign currency forecast transactions or firm commitments.

Total deferred taxation assets amount to US$128.3m (2016: US$115.4m), of which US$57.2m (2016: US$27.8m) will be utilised within the next 12 months and US$71.1m (2016: US$87.6m) after 12 months. Total deferred taxation liabilities amount to US$264.9m (2016: US$286.0m), of which US$166.7m (2016: US$136.3m) will be settled within the next 12 months and US$98.2m (2016: US$149.7m) after 12 months.

Included in the group's recognised deferred tax assets is an amount of US$54.7m (2016: US$14.5m), of which the utilisation depends on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences, and the relevant group entity from which the deferred tax asset arises has suffered a loss in either the current or a preceding period. These entities are expected to return to profitability in the foreseeable future.

12. PROGRAMME AND FILM RIGHTS

	31 March	
	2017	2016
	US$'m	US$'m
Cost price		
programme rights	**667**	459
film rights	**74**	72
	741	531
Accumulated amortisation		
programme rights	**(496)**	(323)
film rights	**(52)**	(48)
	(548)	(371)
Carrying value		
programme rights	**171**	136
film rights	**22**	24
	193	160

A significant portion of the group's cash obligations under contracts for video-entertainment programming and channels is denominated in US dollar. Forward foreign exchange cover is not available in many territories and accordingly exposures in those territories are not hedged. Where forward cover is available, the group uses forward exchange contracts to hedge the exposure to foreign currency risk. The group generally covers forward 100% of firm commitments in foreign currency for a minimum of 12 months and up to two years. The average forward rate for forward exchange contracts outstanding at 31 March 2017 is R15.24 (2016: R14.10) for US dollar cover and R17.96 (2016: R18.06) for euro cover in the video-entertainment segment.

At 31 March 2017, the group had entered into contracts for the purchase of programme and film rights. The group's commitments in respect of these contracts amount to US$2.02bn (2016: US$2.24bn).

13. INVENTORY

	31 March 2017 US$'m	31 March 2016 US$'m
Carrying value		
Raw materials	**-**	16
Finished products, trading inventory and consumables	**121**	110
Work in progress	**2**	4
Decoders and associated components	**87**	150
Gross inventory	**210**	280
Allowance for slow-moving and obsolete inventories	**(56)**	(86)
Net inventory	**154**	194

The total allowance charged to the income statement to write inventory down to net realisable value amounted to US$51.3m (2016: US$78.4m), and reversals of these allowances amounted to US$2.1m (2016: US$nil). Net realisable value write-downs relate primarily to set-top box subsidies in the video-entertainment segment.

14. TRADE RECEIVABLES

	31 March 2017 US$'m	31 March 2016 US$'m
Carrying value		
Trade accounts receivable, gross	**486**	438
Less: Allowance for impairment of receivables	**(66)**	(45)
	420	393
The movement in the allowance for impairment of trade receivables during the year was as follows:		
Opening balance	**(45)**	(36)
Additional allowances charged to income statement	**(35)**	(24)
Allowances reversed through the income statement	**4**	5
Allowances utilised	**7**	6
Disposal of subsidiaries	**4**	-
Foreign currency translation effects	**(1)**	4
Closing balance	**(66)**	(45)

The group's maximum exposure to credit risk at the reporting date is the carrying value of the trade receivables mentioned above. The group does not hold any form of collateral as security relating to trade receivables. Refer to note 38 for the group's credit risk management policy and to note 24 for details of assets pledged as security against finance leases and other liabilities.

14. TRADE RECEIVABLES (continued)

At 31 March 2017 and 2016, the total allowance for impairment of trade receivables comprised both portfolio allowances and specific allowances. The majority of the allowance related to a portfolio allowance, which cannot be identified with specific receivables.

The ageing of trade receivables as well as the amount of the impairment allowance per age class is presented below:

	31 March 2017		31 March 2016	
	Carrying value US$'m	Impair-ment US$'m	Carrying value US$'m	Impair-ment US$'m
Neither past due nor impaired	226	-	224	-
Past due 30 to 59 days	68	(13)	77	(8)
Past due 60 to 89 days	30	(4)	22	(3)
Past due 90 to 119 days	20	(3)	25	(6)
Past due: 120 days and older	142	(46)	90	(28)
	486	(66)	438	(45)

15. OTHER RECEIVABLES

	31 March	
	2017 US$'m	2016 US$'m
Prepayments	230	269
Accrued income	24	27
Staff debtors	2	2
VAT and related taxes receivable	80	83
Merchant and bank receivables	66	44
Preference dividend accrual	-	1
Sundry deposits	7	9
Other receivables	76	75
Total other receivables	485	510
Less: non-current portion of other receivables[1]	(32)	(20)
Current portion of other receivables	453	490

[1] *Relates to non-current prepaid rental deposits and employment linked prepayments.*

16. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

Following the announcement of the unbundling of the majority of the group's interest in its subsidiary Novus Holdings Limited (Novus), operating in the print industry in South Africa, the group classified the assets and liabilities of Novus as held for sale at 31 March 2017. The unbundling is subject to finalisation in accordance with regulatory requirements. Novus forms part of the media segment.

In March 2017, the group signed an agreement to dispose of its joint venture Souq Group Limited (Souq) and accordingly classified the investment as held for sale. Souq forms part of the ecommerce segment. Refer to note 40 regarding the conclusion of the group's disposal of Souq after year-end.

The assets and liabilities of various other smaller units were also classified as held for sale during the year. The disposal of these units is subject to regulatory and other approvals.

The group concluded the disposals of its subsidiaries, Heureka and Netretail, following the receipt of regulatory approval during May and July 2016, respectively. These businesses were classified as held for sale as at 31 March 2016. The group also concluded the disposal of its subsidiary, INET BFA, in November 2016. This business was classified as held for sale as at 30 September 2016. Refer to note 3 for further details.

The carrying values of the assets and liabilities of all disposal groups classified as held for sale as at 31 March 2017 are detailed below:

	31 March	
	2017	2016
	US$'m	US$'m
Assets classified as held for sale		
Property, plant and equipment	**176**	28
Goodwill and other intangible assets	**35**	124
Investment in joint venture	**102**	4
Deferred taxation assets	**7**	1
Inventory	**26**	38
Trade and other receivables	**34**	19
Cash and cash equivalents	**23**	12
	403	226
Liabilities classified as held for sale		
Deferred taxation liabilities	**19**	9
Long-term liabilities	**6**	2
Bank overdrafts	**-**	12
Trade payables	**18**	39
Accrued expenses and other current liabilities	**27**	35
	70	97

The group recognised a loss of US$1.6m (2016: US$87.7m) 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 as defined in note 39.

17. RELATED PARTY TRANSACTIONS AND BALANCES

Directors' remuneration

	31 March 2017 US$'000	31 March 2016 US$'000
Non-executive directors		
fees for services as directors	**3 600**	3 368
fees for services as directors of subsidiary companies	**829**	535
	4 429	3 903

No executive director has a notice period of more than one year.

The company directors' service contracts do not include predetermined compensation as a result of termination that would exceed one year's salary and benefits and none are linked to any restraint payments.

The individual directors received the following remuneration and emoluments:

	Salary US$'000	Annual cash bonuses and performance-related payments US$'000	Pension contributions paid on behalf of director to the pension scheme US$'000	Total US$'000
Executive directors				
2017				
V Sgourdos	**828**	**443**	**105**	**1 376**
Paid by other companies in the group				
M R Sorour	**682**	**1 718**	**233**	**2 633**
Paid by other companies in the group				
B van Dijk	**1 104**	**973**	**125**	**2 202**
Paid by other companies in the group				
	2 614	**3 134**	**463**	**6 211**
2016				
V Sgourdos	799	337	94	1 230
Paid by other companies in the group				
M R Sorour	582	1 199	298	2 079
Paid by other companies in the group				
B van Dijk	1 028	568	77	1 673
Paid by other companies in the group				
	2 409	2 104	469	4 982

17. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Directors' remuneration (continued)

Annual performance payments made in respect of the 2016/2017 performance year for Basil Sgourdos, Mark Sorour and Bob van Dijk were based on a combination of financial, operational and discrete personal objectives, approved by human resources and the remuneration committee. For Bob van Dijk and Basil Sgourdos these financial objectives had a weighting of 50% of maximum annual bonus and for Mark Sorour the weighting is 30% of maximum annual bonus.

The individual directors received the following remuneration and emoluments during the current financial year:

	2017						
	Directors' fees		Committee and trustee fees		Other fees(2)		
Non-executive directors	Paid by company US$'000	Paid by subsidiary US$'000	Paid by company US$'000	Paid by subsidiary US$'000	Paid by company US$'000	Paid by subsidiary US$'000	Total US$'000
J P Bekker	504	20	-	-	-	-	524
H J du Toit(1)	-	-	-	-	-	-	-
C L Enenstein	246	-	-	-	-	50	296
D G Eriksson	218	47	224	36	-	-	525
Guijin Liu(1)	232	-	-	-	-	-	232
R C C Jafta	218	61	180	26	-	-	485
F L N Letele	218	-	22	-	-	275	515
D Meyer	218	20	22	12	-	-	272
R Oliveira de Lima	232	-	-	-	-	50	282
S J Z Pacak	246	31	25	14	-	187	503
T M F Phaswana	242	-	46	-	-	-	288
J D T Stofberg	221	-	-	-	-	-	221
B J van der Ross	218	-	68	-	-	-	286
	3 013	179	587	88	-	562	4 429

Notes

(1) Appointed 1 April 2016. Hendrik du Toit elected not to receive director's fees.

(2) Compensation for assignments.

General notes

Directors' fees include fees for services as directors, where appropriate, of Media24 Proprietary Limited, MultiChoice South Africa Holdings Proprietary Limited and NMS Insurance Services Limited. An additional fee may be paid to directors for work done as directors with specific expertise.

Committee fees include fees for attending meetings of the audit committee, risk committee, human resources and remuneration committee, nomination committee, and social and ethics committee. Committee and trustee fees include, where appropriate, fees to be considered by shareholders at the annual general meeting on 25 August 2017 for services as trustees of the group share-based schemes.

Non-executive directors are subject to regulations on appointment and rotation in terms of the company's memorandum of incorporation and the South African Companies Act.

17. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

	2016						
	Directors' fees[(1)]		Committee[(2)] and trustee[(3)] fees		Other fees[(4)]		
Non-executive directors	Paid by company US$'000	Paid by subsidiary US$'000	Paid by company US$'000	Paid by subsidiary US$'000	Paid by company US$'000	Paid by subsidiary US$'000	Total US$'000
J P Bekker[(5)]	480	20	-	-	-	-	500
F-A du Plessis[(6)]	41	-	13	-	-	-	54
C L Enenstein	217	-	-	-	-	50	267
D G Eriksson	206	46	209	35	-	-	496
R C C Jafta	206	59	161	9	-	-	435
F L N Letele	206	-	21	-	-	-	227
Y Ma[(7)]	28	-	-	-	-	-	28
D Meyer	192	20	21	11	-	-	244
R Oliveira de Lima	231	-	-	-	-	50	281
S J Z Pacak	234	35	24	15	-	185	493
T M F Phaswana	234	-	42	-	-	-	276
J D T Stofberg	234	-	-	-	-	-	234
B J van der Ross	206	-	64	-	-	-	270
J J M van Zyl[(7)]	28	-	22	-	-	-	50
T Vosloo[(7)]	48	-	-	-	-	-	48
	2 791	180	577	70	-	285	3 903

Notes

(1) Directors' fees include fees for services as directors, where appropriate, of Media24 Holdings Proprietary Limited, MultiChoice South Africa Holdings Proprietary Limited and NMS Insurance Services Limited. An additional fee may be paid to directors for work done as directors with specific expertise.

(2) Committee fees include fees for the attendance of the audit committee, risk committee, human resources and remuneration committee, the nomination committee and the social and ethics committee meetings of the board.

(3) Trustee fees include fees for the attendance of the various retirement fund trustee meetings of the group's retirement funds.

(4) Compensation for assignments.

(5) Appointed 17 April 2015.

(6) Resigned 29 May 2015.

(7) Retired 17 April 2015.

General notes

Committee fees include fees for attending meetings of the audit committee, risk committee, human resources and remuneration committee, nomination committee, and social and ethics committee. Committee and trustee fees include, where appropriate, fees to be considered by shareholders at the annual general meeting on 25 August 2017 for services as trustees or members, as appropriate, of the group share schemes/retirement funds/Media24 safety, health and environment committee.

Trustee fees include fees for attending meetings of the group's retirement funds.

Non-executive directors are subject to regulations on appointment and rotation in terms of the company's memorandum of incorporation and the South African Companies Act.

17. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Directors' interests in Naspers scheme shares in the group's share incentive schemes

The executive directors of Naspers are allowed to participate in Naspers group share-based incentive schemes (including those of associate companies and joint ventures). Details as at 31 March 2017 in respect of the executive directors' participation in such scheme shares not yet released, are as follows:

Name	Incentive scheme	Offer date	Number of shares	Purchase price	Release period	Value of option[1]
V Sgourdos	MIH (Mauritius) Limited	02/07/2012	11 124	R436.83	02/07/2016	R182.57
	MIH (Mauritius) Limited	11/07/2013	18 240	R770.00	11/07/2017 to 11/07/2018	R318.54 to R344.19
	MIH (Mauritius) Limited	04/09/2014	22 409	R1 380.78	04/09/2017 to 04/09/2019	R594.64 to R695.10
	MIH (Mauritius) Limited	18/09/2015	6 741	R1 742.96	18/09/2018 to 18/09/2020	R765.98 to R914.29
	MIH (Mauritius) Limited	25/09/2015	1 378	R1 702.64	25/09/2018 to 25/09/2020	R748.89 to R894.66
	MIH (Mauritius) Limited	29/08/2016	9 691	R2 431.64	29/08/2019 to 29/08/2021	R909.76 to R1 135.31
	Naspers Global Ecommerce SAR	17/09/2015	38 731	US$18.59	17/09/2017 to 17/09/2020	US$5.56 to US$6.84
	Naspers Global Ecommerce SAR	29/08/2016	162 999	US$20.45	29/08/2017 to 29/08/2021	US$5.22 to US$7.07
	Showmax SAR	18/09/2015	4 445	US$18.00	18/09/2017 to 18/09/2020	US$8.66 to US$10.28
S J Z Pacak [2]	MIH (Mauritius) Limited	07/09/2012	18 000	R484.70	07/09/2017	R189.16
M R Sorour [3]	MIH Holdings	02/07/2012	18 539	R436.83	02/07/2017	R182.57
	MIH Holdings	11/07/2013	27 360	R770.00	11/07/2017 to 11/07/2018	R318.54 to R344.19
	MIH Holdings	28/03/2014	20 000	R1 155.00	28/03/2018 to 28/03/2019	R528.80 to R568.24
	MIH Holdings	04/09/2014	28 011	R1 380.78	04/09/2017 to 04/09/2019	R568.46 to R676.96
	MIH Holdings	18/09/2015	10 111	R1 742.96	18/09/2018 to 18/09/2020	R765.98 to R914.29
	MIH Holdings	25/09/2015	2 067	R1 702.64	25/09/2018 to 25/09/2020	R748.89 to R894.66
	MIH Holdings	29/08/2016	7 787	R2 431.64	29/08/2019 to 29/08/2021	R909.76 to R1 135.31

Notes

(1) *The value of the option represents the fair value on grant date in accordance with IFRS.*

(2) *Non-executive director. Retired as an executive director on 30 June 2014. Executive directors who retire and become non-executive directors are allowed to retain their share options/appreciation rights under the rules of the group's share-based incentive schemes only if they serve on group boards.*

(2) *On 23 February 2017 Mark Sorour sold 40 795 Naspers N ordinary shares at average market prices ranging between R2 190.00 and R2 193.65 per share in the MIH Holdings Share Trust.*

17. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Directors' interests in Naspers scheme shares in the group's share incentive schemes (continued)

Name	Incentive scheme	Offer date	Number of shares	Purchase price	Release period	Value of option[1]
M R Sorour (continued)	Flipkart Limited SAR	10/09/2014	1 852	US$63.64	10/09/2017 to 10/09/2019	US$23.03 to US$26.04
	Flipkart Limited SAR	11/09/2015	3 772	US$63.64	11/09/2017 to 11/09/2020	US$21.98 to US$26.75
	Flipkart Limited SAR	30/08/2016	4 209	US$63.64	30/08/2017 to 30/08/2021	US$15.26 to US$20.90
	Naspers Global Ecommerce SAR	12/09/2014	40 480	US$15.58	12/09/2017 to 12/09/2019	US$4.90 to US$5.59
	Naspers Global Ecommerce SAR	17/09/2015	34 428	US$18.59	17/09/2017 to 17/09/2020	US$5.56 to US$6.84
	Naspers Global Ecommerce SAR	29/08/2016	34 928	US$20.45	29/08/2017 to 29/08/2021	US$5.22 to US$7.07
	MIH China/MIH TC 2008 SAR	17/01/2014	16 000	US$42.95	17/01/2018 to 17/01/2019	US$11.18 to US$11.54
	SimilarWeb SAR Limited	10/09/2014	1 036	US$1.45	10/09/2017 to 10/09/2019	US$0.48 to US$0.55
	SimilarWeb SAR Limited	17/09/2015	5 988	US$6.68	17/09/2017 to 17/09/2020	US$2.62 to US$3.16
	SimilarWeb SAR Limited	02/09/2016	6 684	US$6.68	02/09/2017 to 02/09/2021	US$3.22 to US$4.15
	Konga SAR	11/09/2015	4 668	US$8.57	11/09/2017 to 11/09/2020	US$2.96 to US$3.60
	Konga SAR	30/08/2016	5 210	US$8.57	30/08/2017 to 30/08/2021	US$2.05 to US$2.81
	Showmax SAR	18/09/2015	8 889	US$18.00	18/09/2017 to 18/09/2020	US$8.66 to US$10.28
	Souq SAR	11/09/2015	2 332	US$17.15	11/09/2017 to 11/09/2020	US$4.25 to US$5.31
	Souq SAR	30/08/2016	2 603	US$17.15	30/08/2017 to 30/08/2021	US$4.11 to US$5.63
	Takealot SAR	11/09/2015	4 376	R111.04	11/09/2017 to 11/09/2020	US$47.70 to US$61.26
	Takealot SAR	30/08/2016	4 629	R130.95	30/08/2017 to 30/08/2021	US$41.92 to US$65.50

Note

[1] *The value of the option represents the fair value on grant date in accordance with IFRS.*

17. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Directors' interests in Naspers scheme shares in the group's share incentive schemes (continued)

Name	Incentive scheme	Offer date	Number of shares	Purchase price	Release period	Value of option[1]
B van Dijk	MIH (Mauritius) Limited	11/07/2013	13 396	R770.00	11/07/2017 to 11/07/2018	R318.54 to R344.19
	MIH (Mauritius) Limited	28/03/2014	554 667	R1 155.00	28/03/2018 to 28/03/2019	R545.63 to R581.92
	MIH (Mauritius) Limited	05/07/2016	147 906	R2 165.00	05/07/2019 to 05/07/2021	R842.78 to R1 041.61
	Flipkart Limited SAR	10/09/2014	219 514	US$63.64	10/09/2017 to 10/09/2019	US$23.03 to US$26.04
	Naspers Global Ecommerce SAR	12/09/2014	4 479 681	US$15.58	12/09/2017 to 12/09/2019	US$4.90 to US$5.59
	SimilarWeb Limited SAR	10/09/2014	119 811	US$1.45	10/09/2017 to 10/09/2019	US$0.48 to US$0.55

Note

[1] *The value of the option represents the fair value on grant date in accordance with IFRS.*

17. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Directors' interests in Naspers shares

The directors of Naspers have the following interests in Naspers A ordinary shares at 31 March:

	2017			2016		
	Naspers A ordinary shares			Naspers A ordinary shares		
	Beneficial			Beneficial		
Name	Direct	Indirect	Total	Direct	Indirect	Total
J D T Stofberg	-	166	166	-	166	166

Notes

(1) *Naspers has an obligation in terms of its memorandum of incorporation (MOI) to maintain its control structure. The voting percentage of the control structure companies, Naspers Beleggings (RF) Beperk and Keeromstraat 30 Beleggings (RF) Beperk, was falling close to below 50% as a result of the issue of Naspers N ordinary shares. The board therefore approved a capitalisation award of 194 997 A ordinary shares to A ordinary shareholders to be implemented on 26 November 2015. The effect of the capitalisation issue increased the voting percentage of the control structure companies to 54.86%, and restored the voting percentage of the A ordinary shareholders to 68.38% – the percentage it was when the new MOI of Naspers Limited was adopted in August 2012.*

Koos Bekker and Cobus Stofberg each have an indirect 25% interest in Wheatfields 221 Proprietary Limited, which controls 168 605 Naspers Beleggings (RF) Beperk ordinary shares, 16 860 500 Keeromstraat 30 Beleggings (RF) Beperk ordinary shares and 133 350 Naspers A shares.

No other director of Naspers had any direct interest in Naspers A ordinary shares at 31 March 2017 or 31 March 2016.

17. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Directors' interests in Naspers shares (continued)

The directors of Naspers (and their associates) had the following interests in Naspers N ordinary shares as at 31 March:

	2017			2016		
	Naspers N ordinary shares			Naspers N ordinary shares		
	Beneficial			Beneficial		
Name	**Direct**	**Indirect**	**Total**	Direct	Indirect	Total
J P Bekker	**-**	**4 688 691**	**4 688 691**	-	4 688 691	4 688 691
H J du Toit[(1)]	**-**	**-**	**-**	-	-	-
C L Enenstein	**-**	**-**	**-**	-	-	-
D G Eriksson	**-**	**-**	**-**	-	-	-
R C C Jafta	**-**	**-**	**-**	-	-	-
Guijin Liu[(1)]	**-**	**-**	**-**	-	-	-
F L N Letele	**737**	**-**	**737**	737	-	737
D Meyer	**-**	**-**	**-**	-	-	-
R Oliveira de Lima	**-**	**-**	**-**	-	-	-
S J Z Pacak[(2)]	**612 635**	**237 548**	**850 183**	646 510	252 548	899 058
T M F Phaswana	**-**	**3 530**	**3 530**	-	3 530	3 530
V Sgourdos	**-**	**59 277**	**59 277**	-	31 952	31 952
M R Sorour[(3)]	**1 262**	**23 680**	**24 942**	900	11 128	12 028
J D T Stofberg	**159 831**	**291 888**	**451 719**	159 831	291 888	451 719
B J van der Ross	**-**	**400**	**400**	-	400	400
B van Dijk	**-**	**284 031**	**284 031**	-	-	-
	774 465	**5 589 045**	**6 363 510**	807 978	5 280 137	6 088 115

Notes

(1) *Appointed 1 April 2016.*

(2) *On 12 July 2016 Steve Pacak sold 24 000 Naspers N ordinary shares at a market price of R2 200.00 per share in the MIH (Mauritius) Limited share trust. On 15 December 2016 Steve sold 27 875 Naspers N ordinary shares at average market prices ranging between R1 985.00 and R1 995.00 per share in the MIH (Mauritius) Limited share trust. On 15 December 2016, 32 125 Naspers N ordinary shares were delivered to Mr Pacak upon payment of the amount of R5 621 875.00 to the MIH (Mauritius) Limited share trust. On 30 November 2016 Steve's family trust sold 2 000 Naspers N ordinary shares at average market prices ranging between R2 095.01 and R2 086.00 per share. Furthermore, on 1 December 2016 the family trust sold 5 500 Naspers N ordinary shares at average market prices ranging between R2 056.50 and R2 039.51 per share.*

(3) *On 23 February 2017 Mark Sorour sold 40 795 Naspers N ordinary shares at average market prices ranging between R2 190.00 and R2 193.65 per share in the MIH Holdings Share Trust. On 30 December 2016 Mark's spouse purchased 245 Naspers N ordinary shares at an average market price of R2 017.99 per share. On 8 March 2017 Mark Sorour's spouse purchased 117 Naspers N ordinary shares at an average market price of R2 142.99 per share. Mark Sorour's beneficial interest was reduced following the sale of 8 134 N ordinary Naspers shares by his Investment manager on 14 August 2015 at average market prices ranging between R1 718.00 and R1 755.00 per share. The 2016 comparative figures have been adjusted to reflect this transaction.*

On 21 April 2017 Emilie Choi was appointed an independent non-executive director. Ms Choi holds no Naspers A or N ordinary shares. There have been no further changes to the directors' interests in the table above between the end of the financial year and 23 June 2017.

17. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Key management remuneration

Comparatives have not been restated to account for the change in the composition of key management.

The total of executive directors' and key management's emoluments amounted to US$51.9m (2016: US$42.2m), comprising short-term employee benefits of US$14.5m (2016: US$10.2m), post-employment benefits of US$1.0m (2016: US$0.7m) and a share-based payment expense of US$36.4m (2016: US$31.3m).

No other remuneration is paid to executive directors. Remuneration is earned for services rendered in conducting the business of the group.

18. SHARE CAPITAL AND PREMIUM

	31 March	
	2017 US$'m	2016 US$'m
Authorised		
1 250 000 A ordinary shares of R20 each	**2**	2
500 000 000 N ordinary shares of 2 SA cents each	**2**	2
	4	4
Issued		
907 128 A ordinary shares of R20 each (2016: 907 128)	**2**	2
438 265 253 N ordinary shares of 2 SA cents each (2016: 437 920 115)	**2**	2
	4	4
Share premium	**6 070**	6 014
	6 074	6 018
Cumulative effect of treasury shares used in equity compensation plans[1]	**(1 130)**	(1 053)
	4 944	4 965

[1] Refers to the cumulative net effect on share premium of treasury shares held at cost and the gains and losses arising on vesting of equity compensation awards.

18. SHARE CAPITAL AND PREMIUM (continued)

Treasury shares

The group holds a total of 6 725 537 N ordinary shares (2016: 6 835 391), or 1.5% (2016: 1.6%), of the gross number of N ordinary shares in issue at 31 March 2017 as treasury shares. Equity compensation plans hold 3 293 211 (2016: 3 393 909) of the N ordinary shares and the remaining 3 432 326 (2016: 3 441 482) N ordinary shares are held by various group companies.

Voting and dividend rights

The A ordinary shareholders are entitled to 1 000 votes per share. In terms of the Naspers memorandum of incorporation, both N and A ordinary shareholders are entitled to nominal dividends, however, the dividends declared to A ordinary shareholders are equal to one-fifth of the dividends to which N ordinary shareholders are entitled. In respect of all other rights, the A ordinary shares rank *pari passu* with the N ordinary shares of the company.

Naspers Beleggings (RF) Limited holds 445 839 (2016: 445 839) A ordinary shares and Keeromstraat 30 Beleggings (RF) Limited holds 279 406 (2016: 279 406) A ordinary shares of the total 907 128 (2016: 907 128) A ordinary shares in issue at year-end.

Unissued share capital

The directors of the company have unrestricted authority, until the next annual general meeting, to allot and issue the unissued 342 872 A ordinary shares and 61 734 747 N ordinary shares of the company. This authority was granted subject to the provisions of the Companies Act No 71 of 2008, the JSE Limited Listings Requirements and any other exchange on which the shares of the company may be quoted or listed from time to time.

	2017 Number of N shares	2016 Number of N shares
Movement in N ordinary shares in issue during the year		
Shares in issue at 1 April	**437 920 115**	419 203 470
Shares issued to raise funds	**-**	18 167 848
Shares issued to share incentive trusts and group companies	**345 138**	548 797
Shares in issue at 31 March	**438 265 253**	437 920 115
Movement in N ordinary shares held as treasury shares during the year		
Shares held as treasury shares at 1 April	**6 835 391**	7 205 082
Shares issued to share incentive trusts and companies[1]	**402 583**	714 249
Shares acquired by participants from equity compensation plans	**(512 437)**	(1 083 940)
Shares held as treasury shares at 31 March	**6 725 537**	6 835 391
Net number of N ordinary shares in issue at 31 March	**431 539 716**	431 084 724

[1] Includes shares issued to share incentive trusts and group companies as well as shares purchased on the open market by share incentive trusts and group companies.

	31 March	
	2017 US$'m	2016 US$'m
Share premium		
Balance at 1 April	**6 014**	3 714
Share premium on share issues	**56**	2 300
Balance at 31 March	**6 070**	6 014

Refer to note 41 for the group's equity compensation plans.

18. SHARE CAPITAL AND PREMIUM (continued)

Capital management

The group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits for other stakeholders by pricing products and services commensurately with the level of risk.

Naspers relies upon distributions from its subsidiaries, associates, joint ventures and other investments to generate the funds necessary to meet the obligations and other cash flow requirements of the combined group. The operations of the group have historically been funded in a number of ways. The internet development activities were primarily funded by cash generated from the video-entertainment businesses as well as debt financing and equity. Recent acquisitions of ecommerce businesses were primarily funded through debt financing.

The group's general business strategy is to acquire developing businesses and to provide funding to meet the cash needs of those businesses until they can, within a reasonable period of time, become self-funding. Funding is provided through a combination of loans and share capital, depending on the country-specific regulatory requirements. From a subsidiary's perspective, intergroup loan funding is generally considered to be part of the capital structure. The focus on increased profitability and cash flow generation will continue into the foreseeable future, although the group will continue to actively evaluate potential growth opportunities within its areas of expertise.

The group will also grow its business in the future by making equity investments in growth companies. The group anticipates that it may fund future acquisitions and investments through the issue of debt and equity instruments and utilisation of available cash resources.

The group follows a risk-based approach to the determination of the optimal capital structure. The group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or modify the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

18. SHARE CAPITAL AND PREMIUM (continued)

During November 2015, the group amended and extended its previous RCF and bilateral facilities of US$2.25bn with a new RCF of US$2.5bn. The new RCF matures in November 2020 and bears interest at US LIBOR plus 1.25%, before commitment and utilisation fees.

The group issued a 10-year US$1.2bn international bond in July 2015. The bond matures in July 2025 and carries a fixed interest rate of 5.5% per annum.

The borrower under the bonds and the undrawn US$2.5bn (2016: undrawn balance of US$2.5bn) RCF (refer to the group's unutilised banking facilities disclosed in note 38) is Myriad International Holdings B.V. and the facilities are guaranteed by Naspers Limited. The borrower is obligated to pay a commitment fee equal to 35% of the applicable margin under the RCF. The undrawn balance of the RCF is available to fund future investments and development expenditure by the group as part of its growth strategy.

As of 31 March 2017, the group had total interest-bearing debt (including capitalised finance leases) of US$4.1bn (2016: US$3.8bn) and net cash and cash equivalents of US$4.0bn (2016: US$1.7bn). The net interest-bearing debt-to-equity ratio was 1% (2016: 20%) at 31 March 2017. The group excludes satellite transponders from total interest-bearing debt when evaluating and managing capital. These items are considered to be operating expenses. The adjusted total interest-bearing debt (excluding transponder leases) was US$2.9bn (2016: US$2.9bn) and the adjusted net interest-bearing debt-to-equity ratio was negative due to the group's net cash position of US$1.1bn (2016: adjusted net interest-bearing debt-to-equity ratio of 12%) at 31 March 2017.

The group does not have a formally targeted debt-equity ratio. The group has specific financial covenants in place with various financial institutions to govern its debt, all of which were complied with during the reporting period. These financial covenants are linked to various financial metrics including the net-debt-to-adjusted-EBITDA ratio and interest cover.

South African exchange control regulations provide for a common monetary area consisting of the Republic of South Africa, the Kingdom of Lesotho, the Kingdom of Swaziland and the Republic of Namibia, and restrict the export of capital from the common monetary area. Approval by the South African Reserve Bank is required for any acquisitions outside of the common monetary area if the acquisition is funded from within the common monetary area.

In July 2010, the group issued a seven-year US$700m international bond. The bond matures in July 2017 and carries a fixed interest rate of 6.375% per annum. The group issued an additional seven-year US$1bn international bond in July 2013. The bond matures in July 2020 and carries a fixed interest rate of 6% per annum. The proceeds were used to partly pay down an offshore revolving credit facility (RCF).

19. OTHER RESERVES

	31 March	
	2017	2016
	US$'m	US$'m
Other reserves in the statement of financial position comprise:		
Foreign currency translation reserve	**(1 849)**	(2 476)
Hedging reserve	**(30)**	35
Valuation reserve	**1 387**	573
Existing control business combination reserve	**(137)**	(184)
Share-based compensation reserve	**1 147**	1 231
	518	(821)

The foreign currency translation reserve relates to exchange differences arising on the translation of foreign operations' income statements and statements of comprehensive income at average exchange rates for the year and their statements of financial position at the ruling exchange rates at the reporting date if the functional currency differs from the group's presentation currency. 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 subsidiaries.

The hedging reserve relates to changes in the fair value of derivative financial instruments and relevant underlying hedged items. It hedges forecast transactions or the foreign currency part of firm commitments. The changes in fair value are recorded in the hedging reserve until the forecast transaction or firm commitment results in the recognition of a non-financial asset or liability, when such deferred gains or losses are included in the initial measurement of the non-financial asset or liability. Refer to note 38 for the movements in the hedging reserve during the year.

19. OTHER RESERVES (continued)

The valuation reserve relates to fair-value changes in available-for-sale investments, remeasurements on post-employment benefit plans, differences between the fair value and the contractually stipulated value of shares issued in business combinations and other acquisitions as well as the group's share of equity-accounted investees' revaluations of their available-for-sale investments. During the current year, US$59.3m (2016: US$nil), previously recognised as the group's share of other comprehensive income of equity-accounted investments, was reclassified to the income statement by equity-accounted investees and has therefore been included in the group's share of equity-accounted results. Movements in the valuation reserve during the year, after the effects of non-controlling interests, are detailed below:

	31 March	
	2017	2016
	US$'m	US$'m
Opening balance	**573**	421
Fair-value gains on available-for-sale investments	**(1)**	11
Foreign currency translation reserve movements on equity reserves	**10**	(13)
Share of valuation reserve of equity-accounted investments	**805**	154
Closing balance	**1 387**	573

The existing control business combination reserve is used to account for transactions with non-controlling shareholders, whereby the excess of the cost of the transactions over the acquirer's proportionate share of the net asset value acquired/sold is allocated to this reserve in equity. Written put options and other obligations that may require the group to purchase its own equity instruments by delivering cash or another financial asset are also initially recognised from this reserve. Similarly, written put options and other similar obligations are reclassified to this reserve in the event of cancellation or expiry.

The grant date fair value of share incentives issued to employees in equity-settled share-based payment transactions is accounted for in the share-based compensation reserve over the vesting period, if any. The reserve is adjusted at each reporting period when the entity revises its estimates of the number of share incentives that are expected to vest. The impact of revisions of original estimates, if any, is recognised in the income statement, with a corresponding adjustment to this reserve in equity.

20. RETAINED EARNINGS

Distributions made by Naspers Limited to shareholders that are not exempt from dividend tax are subject to dividend tax at a rate of 20%. Although the group's presentation currency is US dollar, dividends are declared and paid in SA rand, with the relevant exchange rate announced at the time of the dividend payment.

The board of directors has proposed that a dividend of 580 SA cents (2016: 520 SA cents) per N ordinary share and 116 SA cents (2016: 104 SA cents) per A ordinary share be paid to shareholders on 18 September 2017. If approved by the shareholders of the company at its annual general meeting, the company will pay a total dividend of approximately R2.5bn based on the number of shares in issue at 31 March 2017.

21. LONG-TERM LIABILITIES

	31 March 2017 US$'m	31 March 2016 US$'m
Interest-bearing: Capitalised finance leases	**1 142**	771
Total liabilities	**1 206**	836
Less: Current portion	**(64)**	(65)
Interest-bearing: Loans and other liabilities	**2 198**	2 922
Total liabilities	**2 898**	2 926
Less: Current portion	**(700)**	(4)
Non-interest-bearing: Programme and film rights	**-**	-
Total liabilities	**125**	136
Less: Current portion	**(125)**	(136)
Non-interest-bearing: Loans and other liabilities	**2**	1
Total liabilities	**28**	23
Less: Current portion	**(26)**	(22)
Net long-term liabilities	**3 342**	3 694

Interest-bearing: Capitalised finance leases

Type of lease	Currency of year-end balance	Year of final repayment	Weighted average year-end interest rate	31 March 2017 US$'m	31 March 2016 US$'m
Buildings, manufacturing equipment and vehicles, computers and office equipment	Various	Various	Various	**1**	1
				1	1
Transmission equipment and satellites	US$	2017	3.0% - 3.5%	**-**	5
	US$	2018	3.5%	**2**	2
	US$	2019	3.5%	**1**	-
	US$	2020	3.2% - 5.0%	**20**	23
	US$	2025	3.9% - 6.0%	**212**	220
	US$	2027	4.5%	**310**	332
	US$	2031	4.0% - 5.0%	**244**	253
	US$	2032	3.5%	**416**	-
				1 205	835
Total capitalised finance leases				**1 206**	836

21. LONG-TERM LIABILITIES (continued)

Interest-bearing: Capitalised finance leases (continued)

Maturity profile

	31 March	
	2017	2016
	US$'m	US$'m
Minimum instalments		
Payable within year one	**109**	103
Payable within year two	**110**	97
Payable within year three	**128**	96
Payable within year four	**137**	97
Payable within year five	**137**	91
Payable after year five	**926**	598
	1 547	1 082
Future finance costs on finance leases	**(341)**	(246)
Present value of finance lease liabilities	**1 206**	836
Present value		
Payable within year one	**64**	65
Payable within year two	**65**	62
Payable within year three	**79**	64
Payable within year four	**97**	68
Payable within year five	**101**	66
Payable after year five	**800**	511
Present value of finance lease liabilities	**1 206**	836

21. LONG-TERM LIABILITIES (continued)

Interest-bearing: Loans and other liabilities

	Asset secured	Currency of year-end balance	Year of final repay-ment	Weighted average year-end interest rate	31 March 2017 US$'m	31 March 2016 US$'m
Unsecured						
Nedbank		ZAR	2017	8.0% - 8.3%	**-**	20
Rand Merchant Bank		ZAR	2018	7.8%	**-**	3
Publicly traded bond		US$	2017	6.4%	**700**	700
Publicly traded bond		US$	2020	6.0%	**1 000**	1 000
Publicly traded bond		US$	2025	5.5%	**1 200**	1 200
Various institutions	Various	Various	Various	Various	**9**	17
Total facilities					**2 909**	2 940
Unamortised loan costs					**(11)**	(14)
					2 898	2 926

Non-interest-bearing: Programme and film rights

Liabilities	Currency of year-end balance	Year of final repay-ment	31 March 2017 US$'m	31 March 2016 US$'m
Unsecured				
Programme and film rights liabilities	Various	2016	**-**	122
Programme and film rights liabilities	Various	2017	**113**	14
Programme and film rights liabilities	Various	2018	**12**	-
			125	136

21. LONG-TERM LIABILITIES (continued)

Non-interest-bearing: Loans and other liabilities

Loans	Currency of year-end balance	Year of final repay-ment	31 March 2017 US$'m	31 March 2016 US$'m
Secured				
Fortress	US$	2020	**1**	-
Unsecured				
Earn-out obligations	Various	Condi-tional	**26**	22
Other	Various	Various	**1**	1
			28	23
Total long-term liabilities				
Repayment terms of long-term liabilities (excluding capitalised finance leases)				
Payable within year one			**840**	150
Payable within year two			**13**	740
Payable within year three			**-**	-
Payable within year four			**1 009**	6
Payable after year five			**1 200**	2 205
			3 062	3 101
Unamortised loan costs			**(11)**	(14)
			3 051	3 087
Interest rate profile of long-term liabilities (long- and short-term portion, including capitalised finance leases)				
Loans at fixed rates: 1 to 12 months			**765**	98
Loans at fixed rates: more than 12 months			**3 339**	3 657
Interest-free loans			**150**	162
Loans linked to variable rates			**3**	7
			4 257	3 924

The interest rate profiles disclosed above take into account interest rate swaps used to manage the interest rate profile of certain of the group's variable rate financial liabilities.

22. PROVISIONS

	31 March	
	2017	2016
	US$'m	US$'m
Warranties	**3**	2
Pending litigation	**18**	18
Reorganisation	**7**	3
Onerous contracts	**7**	-
Ad valorem duties	**2**	2
Long-service and retirement gratuity	**6**	6
Other	**12**	2
Total provisions	**55**	33
Less: non-current portion of provisions	**(7)**	(7)
Current portion of provisions	**48**	26

Provisions relate to a variety of obligations for the group as follows:

The group recognises the estimated costs associated with its expected exposure on all products still under warranty as a provision at the statement of financial position date. Included in warranties is Irdeto's 12-month warranty relating to the replacement of non-functioning smartcards.

The group is currently involved in various litigation matters. The litigation provision has been estimated based on legal counsel and management's estimates of costs and possible claims relating to these.

The provision for onerous contracts relates to anticipated costs for video-entertainment programming content and work to still be completed relating to technology service contracts.

The provision for ad valorem duties relates to an investigation by tax authorities into the value ascribed to digital satellite decoders purchased for onward sale to major retailers. The provision was raised for the payment of these duties.

The provision for long service and retirement gratuity relates to the estimated cost of these employee benefits.

The provision for reorganisation relates to the relocation costs of certain of our operations.

Included in other provisions are estimated amounts related to indemnity clauses included in acquisitions and disposal agreements as well as other regulatory matters.

23. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	31 March	
	2017 US$'m	2016 US$'m
Deferred income	**232**	212
Accrued expenses	**423**	372
Amounts owing in respect of investments acquired	**3**	1
Taxes and other statutory liabilities	**263**	281
Bonus accrual	**75**	71
Accrual for leave	**29**	34
Other personnel accruals	**24**	21
Payments received in advance	**28**	40
Cash-settled share-based payment liability	**-**	1
Payables from reverse factoring arrangements	**15**	12
Merchant payable	**130**	96
Other current liabilities	**35**	45
	1 257	1 186

24. COMMITMENTS AND CONTINGENCIES

The group is subject to commitments and contingencies, which occur in the normal course of business, including legal proceedings and claims that cover a wide range of matters. The group plans to fund these commitments and contingencies out of existing loan facilities and internally generated funds.

(a) Capital expenditure

Commitments in respect of contracts placed for capital expenditure at 31 March 2017 amount to US$12.6m (2016: US$15.5m).

(b) Programme and film rights

At 31 March 2017, the group had entered into contracts for the purchase of programme and film rights. The group's commitments in respect of these contracts amount to US$2.02bn (2016: US$2.24bn).

(c) Transponder leases

Transponder lease commitments outstanding as at 31 March 2017 amount to US$nil (2016: US$573.3m).

(d) Set-top boxes

At 31 March 2017, the group had entered into contracts for the purchase of set-top boxes (decoders). The group's commitments in respect of these contracts amount to US$114.5m (2016: US$36.7m).

24. COMMITMENTS AND CONTINGENCIES (continued)

(e) Other commitments

At 31 March 2017, the group had entered into contracts for the receipt of various services. These service contracts are for the receipt of advertising, satellite capacity, computer and decoder support services, access to networks and contractual relationships with customers, suppliers and employees. The group's commitments in respect of these agreements amount to US$158.1m (2016: US$176.4m).

(f) Operating lease commitments

The group has the following operating lease commitments at 31 March 2017:

	31 March	
	2017	2016
	US$'m	US$'m
Minimum operating lease payments:		
Payable in year one	**49**	55
Payable in year two	**37**	37
Payable in year three	**25**	29
Payable in year four	**13**	21
Payable in year five	**10**	15
Payable after five years	**29**	50
	163	207

The group leases office, manufacturing and warehouse space under various non-cancellable operating leases. Certain contracts contain renewal options and escalation clauses for various periods of time. Included in operating lease commitments is an amount of US$6.2m (2016: US$17.6m) relating to disposal groups classified as held for sale (refer to note 16).

(g) Litigation claims

Taxation matters

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$256.7m (2016: US$216.8m). No provision has been made as at 31 March 2017 and 2016 for these possible exposures.

(h) Assets pledged as security

The group pledged property, plant and equipment, investments, cash and cash equivalents, accounts receivable and inventory as security against its finance leases (mainly capitalised transponder leases) and other secured liabilities with an outstanding balance of US$1.21bn (2016: US$835.6m). Refer to note 21.

25. REVENUE

	31 March 2017 US$'m	31 March 2016 US$'m
Subscription revenue	**2 788**	2 791
Ecommerce revenue[(1)]	**2 167**	1 962
Advertising revenue	**368**	372
Technology revenue[(1)]	**119**	120
Printing revenue	**206**	198
Hardware sales	**152**	179
Circulation revenue	**78**	86
Book publishing and book sales revenue	**37**	44
Distribution revenue	**19**	17
Decoder maintenance	**23**	23
Sublicence revenue	**36**	29
Reconnection fees	**23**	20
Contract publishing	**8**	8
Other revenue	**74**	81
	6 098	5 930

Other revenues include revenues from backhaul charges, financing service fees, online deed searches and instant messaging.

	2017 US$'m	2016 US$'m
Barter revenue		
Amount of barter revenue included in total revenue	**9**	11

[(1)] Revenue of US$151.3m was reclassified from technology revenue to ecommerce revenue in the comparative period as a result of the group reassessing the nature of certain revenue streams during the current period.

26. EXPENSES BY NATURE

	31 March 2017 US$'m	31 March 2016 US$'m
Operating profit includes the following items:		
Depreciation classification		
Cost of providing services and sale of goods	**149**	122
Selling, general and administration expenses	**65**	64
	214	186
Amortisation classification		
Cost of providing services and sale of goods	**6**	11
Selling, general and administration expenses	**122**	83
	128	94
Operating leases		
Minimum lease payments	**32**	38
	32	38
Auditor's remuneration		
Audit fees	**10**	9
Audit-related fees	**-**	2
Tax fees	**3**	2
All other fees	**1**	2
	14	15
Foreign exchange gains/(losses)		
On capitalisation of forward exchange contracts in hedging transactions	**3**	(36)
On revaluation of contractual currency devaluation features and related receivables	**(11)**	(11)
	(8)	(47)
Staff costs		
As at 31 March 2017, the group had 24 482 (2016: 27 429) permanent employees.		
The total cost of employment of all employees, including executive directors, was as follows:		
Salaries, wages and bonuses	**1 067**	961
Retirement benefit costs	**39**	36
Medical aid fund contributions	**27**	22
Post-employment benefits	**2**	1
Training costs	**18**	15
Retention option expense	**1**	2
Share-based compensation expenses	**113**	94
Total staff costs	**1 267**	1 131
Advertising expenses	**676**	554
Costs related to programme and film rights, including amortisation	**859**	666
Cost of inventories sold	**1 418**	1 513

27. OTHER (LOSSES)/GAINS - NET

	31 March 2017 US$'m	31 March 2016 US$'m
Loss on sale of assets	**(1)**	(3)
Fair-value adjustments on financial instruments	**1**	(4)
Impairment losses	**(58)**	(286)
impairment of goodwill and other intangible assets	**(30)**	(155)
impairment of property, plant and equipment and other assets	**(26)**	(43)
remeasurement of disposal groups classified as held for sale to fair value less costs of disposal	**(2)**	(88)
Dividends received on investments	**1**	-
Compensation received from third parties for property, plant and equipment impaired, lost or stolen	**-**	1
Total other (losses)/gains - net	**(57)**	(292)

Refer to notes 4, 5 and 6 for further information on the above impairments.

28. FINANCE COSTS/(INCOME)

	31 March 2017 US$'m	31 March 2016 US$'m
Interest paid		
Loans and overdrafts	**198**	207
Transponder leases	**46**	33
Other	**34**	52
	278	292
Interest received		
Loans and bank accounts	**(56)**	(37)
Other	**(14)**	(3)
	(70)	(40)
Net loss from foreign exchange translation and fair-value adjustments on derivative financial instruments		
On translation of assets and liabilities	**225**	95
On translation of transponder leases	**(42)**	67
On translation of forward exchange contracts	**76**	(60)
	259	102
Preference dividends (BEE structures) received	**-**	(2)
Other finance cost - net	**259**	100
Other finance costs/(income) - net	**467**	352

29. GAINS ON ACQUISITIONS AND DISPOSALS

	2017 US$'m	2016 US$'m
Profit on sale of investments	**1 990**	110
Gains recognised on loss of control transactions	**228**	-
Remeasurement of contingent consideration	**1**	2
Acquisition-related costs	**(50)**	(8)
Remeasurement of previously held interest	**-**	348
	2 169	452

30. TAXATION

	31 March 2017 US$'m	31 March 2016 US$'m
Normal taxation		
South Africa	**187**	212
current year	**189**	214
prior year	**(2)**	(2)
Foreign taxation	**75**	83
current year	**108**	88
prior year	**(33)**	(5)
Income taxation for the year	**262**	295
Deferred taxation	**(18)**	(35)
current year	**(15)**	(33)
prior year	**(3)**	(2)
Total taxation per income statement	**244**	260
Reconciliation of taxation		
Taxation at statutory rates[1]	**855**	353
Adjusted for:		
non-deductible expenses[2]	**50**	130
non-taxable income[2]	**(332)**	(106)
temporary differences not provided for[3]	**206**	199
assessed losses (utilised)/unprovided	**6**	3
initial recognition of prior year taxes	**(42)**	(11)
other taxes	**51**	46
tax attributable to equity-accounted earnings	**(512)**	(361)
tax adjustment for foreign taxation rates	**(38)**	7
Taxation provided in income statement	**244**	260

(1) *The reconciliation of taxation has been performed using the statutory tax rate of Naspers Limited of 28% (2016: 28%). The impact of different tax rates applied to profits earned in other jurisdictions is disclosed above as "Tax adjustment for foreign taxation rates".*

(2) *Non-deductible expenses relate primarily to impairment losses and dilutions of equity-accounted investments. Non-taxable income relates primarily to the gains on disposals of subsidiaries.*

(3) *Temporary differences not provided for relate primarily to foreign currency translation reserves reclassified to the income statement.*

31. EARNINGS PER SHARE

	31 March							
	2017				2016			
	Gross US$'m	**Taxation US$'m**	**Non-controlling interests US$'m**	**Net US$'m**	Gross US$'m	Taxation US$'m	Non-controlling interests US$'m	Net US$'m
Earnings								
Basic earnings attributable to shareholders				**2 921**				994
Impact of dilutive instruments of subsidiaries, associates and joint ventures				**(24)**				(20)
Diluted earnings attributable to shareholders				**2 897**				974
Headline adjustments								
Adjustments for:	**(2 145)**	**(17)**	**13**	**(2 149)**	(344)	54	(3)	(293)
Insurance proceeds	**-**	**-**	**-**	**-**	(1)	-	-	(1)
Impairment of property, plant and equipment and other assets	**26**	**(3)**	**(4)**	**19**	43	(1)	(2)	40
Impairment of goodwill and other intangible assets	**28**	**(5)**	**(1)**	**22**	155	-	-	155
Loss on sale of assets	**1**	**-**	**-**	**1**	3	-	-	3
Loss on remeasurement of disposal groups classified as held for sale to fair value less costs of disposal	**2**	**-**	**-**	**2**	88	-	-	88
Gains on acquisitions and disposals of investments	**(2 219)**	**(1)**	**18**	**(2 202)**	(110)	-	-	(110)
Remeasurement of previously held interest	**-**	**-**	**-**	**-**	(348)	-	-	(348)
Dilution gains on equity-accounted investments	**119**	**-**	**-**	**119**	(104)	-	-	(104)
Remeasurements included in equity-accounted earnings[(1)]	**(102)**	**(8)**	**-**	**(110)**	(125)	56	(1)	(70)
Impairment of equity-accounted investments	**-**	**-**	**-**	**-**	55	(1)	-	54
Basic headline earnings				**772**				701
Diluted headline earnings				**748**				681

[(1)] Remeasurements included in equity-accounted earnings include US$381m (2016: US$251m) relating to gains arising on acquisitions and disposals by associates and US$268m (2016: US$180m) relating to impairments of assets recognised by associates.

31. EARNINGS PER SHARE (continued)

	2017 Number of N shares	2016 Number of N shares
Number of N ordinary shares in issue at year-end (excluding treasury shares)	**431 539 716**	431 084 724
Weighted average number of N ordinary shares issued in financing activities	**-**	(12 868 892)
Adjusted for movement in shares held by share trusts	**(332 899)**	(640 417)
Weighted average number of N ordinary shares in issue during the year	**431 206 817**	417 575 415
Adjusted for effect of future share-based payment transactions	**1 477 352**	1 632 849
Diluted weighted average number of N ordinary shares in issue during the year	**432 684 169**	419 208 264
Earnings per N ordinary share (US cents)		
Basic	**677**	238
Fully diluted	**670**	232
Headline earnings per N ordinary share (US cents)		
Basic	**179**	168
Fully diluted	**173**	162
Dividend paid per A ordinary share (SA cents)		
- South African	**104**	94
Dividend paid per N ordinary share (SA cents)		
- South African	**520**	470
Proposed dividend per A ordinary share (SA cents)		
- South African	**116**	104
Proposed dividend per N ordinary share (SA cents)		
- South African	**580**	520

32. CASH FROM OPERATIONS

	31 March	
	2017	2016
	US$'m	US$'m
Profit before tax per income statement	**3 052**	1 261
Adjustments:		
Non-cash and other	**(2 899)**	(724)
Loss on sale of assets	**1**	3
Depreciation and amortisation	**342**	280
Retention option expense	**1**	2
Share-based compensation expenses	**113**	94
Net finance cost	**467**	352
Share of equity-accounted results	**(1 829)**	(1 289)
Impairment of equity-accounted investments	**-**	55
Gains on acquisitions and disposals	**(2 219)**	(452)
Dilution losses/(gains) on equity-accounted investments	**119**	(104)
Remeasurement of disposal groups classified as held for sale to fair value less costs of disposal	**2**	88
Net realisable value adjustments on inventory, net of reversals	**49**	78
Insurance proceeds	**-**	(1)
Impairment losses	**56**	198
Other	**(1)**	(28)
Working capital	**141**	(83)
Cash movement in trade and other receivables	**(38)**	(174)
Cash movement in payables and accruals	**188**	163
Cash movement in programme and film rights	**(11)**	(37)
Cash movement in inventories	**2**	(35)
Cash from operations	**294**	454

33. ACQUISITIONS OF SUBSIDIARIES AND BUSINESSES

	31 March 2017 US$'m	31 March 2016 US$'m
Carrying values of assets and liabilities:		
property, plant and equipment	**1**	6
other intangible assets	**16**	812
net current assets	**2**	33
deferred taxation	**(5)**	(159)
long-term liabilities	**(1)**	-
	13	692
Non-controlling interests	**(1)**	(210)
Derecognition of equity-accounted investments	**-**	(97)
Remeasurement of previously held interest	**-**	(348)
Option obligations raised in acquisitions	**-**	(24)
Remeasurement of acquiree share-based payment awards	**-**	(22)
Goodwill	**244**	1 260
Purchase consideration	**256**	1 251
Settlement of loans as part of purchase agreement	**-**	(17)
Settled through the issuance of equity instruments of the group	**(126)**	-
Employment-linked prepayment	**18**	-
Amount to be settled in future	**(3)**	-
Settlement of amounts owing in respect of prior year purchases	**-**	22
Net cash in subsidiaries and businesses acquired	**(5)**	(25)
Net cash outflow from acquisitions of subsidiaries and businesses	**140**	1 231

34. DISPOSALS OF SUBSIDIARIES AND BUSINESSES

	31 March	
	2017 US$'m	2016 US$'m
Carrying values of assets and liabilities:		
property, plant and equipment	**19**	3
disposal groups classified as held for sale	**-**	160
goodwill	**786**	7
other intangible assets	**84**	4
net assets	**17**	4
deferred taxation	**(13)**	-
long-term liabilities	**41**	(1)
foreign currency translation reserve realised	**224**	2
	1 158	179
Consideration transferred [(1)]	**112**	-
Non-controlling interests	**(17)**	(1)
Existing control business combination reserve	**(30)**	4
Profit on sale	**2 230**	105
Selling price	**3 453**	287
Net cash in subsidiaries and businesses disposed of	**(177)**	(4)
Shares received as settlement	**(468)**	-
Loan settled	**575**	-
Amounts to be received in the future	**-**	(1)
Net cash inflow from disposals of subsidiaries and businesses	**3 383**	282

[(1)] Relates to consideration transferred in the contribution of the group's online travel businesses to MakeMyTrip Limited - refer to note 3.

35. ACQUISITION OF AND ADDITIONAL INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Included in acquisition of and additional investments in associates of US$232.4m (2016: US$115.4m) are the following: Brainly US$13.0m, Codecademy US$22.0m, Udemy US$70.0m, MakemyTrip US$91.6m and other acquisitions of US$35.8m (2016: Takealot Online (RF) Proprietary Limited US$54.5m, SImilarWeb Limited US$ 10.8m, Avenida Inc US$20m, Ambatana Holdings B.V. US$10m and other acquisitions of US$20.1m). These investments were classified as investments in associates.

Included in acquisition of and additional investments in joint ventures of US$25.1m (2016: US$80.4m) is Silver Brazil JVCo US$11.6m and other acquisitions of US$13.5m (2016: Konga Online Shopping Limited US$41.2m, Silver Brazil JVCo BV US$26.4m, Souq Group Limited US$10.0m and other acquisitions of US$2.8m). These investments were classified as investments in joint ventures.

36. CASH AND CASH EQUIVALENTS

	31 March 2017 US$'m	31 March 2016 US$'m
Cash at bank and on hand	**1 081**	775
Short-term bank deposits	**2 926**	939
Bank overdrafts and call loans	**(4)**	(1)
	4 003	1 713
Restricted cash		
The following cash balances are restricted from immediate use according to agreements with banks and other financial institutions:		
Africa	**25**	20
Europe	**62**	75
Other	**19**	13
Total restricted cash	**106**	108

Restricted cash is still included in cash and cash equivalents due to the fact that it mostly relates to cash held on behalf of customers.

Included in cash and cash equivalents is an amount of US$179.0m relating to cash balances held by subsidiaries where in-country foreign exchange illiquidity restricts the ability of subsidiaries to remit cash to intermediate holding companies in US dollar.

37. SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports about components of the group that are regularly reviewed by the chief operating decisionmaker (CODM) in order to allocate resources to the segments and to assess their performance. The CODM has been identified as the group's executive directors who make strategic decisions.

The group proportionately consolidates its share of the results of its associated companies and joint ventures in its reportable segments. This is considered to be more reflective of the economic value of these investments and corresponds to the manner in which the CODM assesses segmental performance.

The group has identified its operating segments based on its business by service or product as follows: video entertainment, internet and media. Below are the types of services and products from which each segment generates revenue:

Internet – the group operates internet platforms to provide various services and products. These platforms and communities offer ecommerce, communication, social networks, entertainment and mobile value-added services. Our internet segment comprises the following reportable segments: Tencent, Mail.ru and ecommerce platforms.

Video entertainment – the group offers digital satellite and digital terrestrial television services to subscribers as well as mobile and internet services through MultiChoice South Africa in South Africa and through MultiChoice Africa in the rest of sub-Saharan Africa. Through Irdeto, the group provides digital content management and protection systems to customers globally to protect, manage and monetise digital media on any platform. Through Showmax, the group provides subscription video on-demand services.

Media – through Media24 in Africa, the group publishes newspapers, magazines and books. Its activities also include printing and distribution.

Sales between segments are eliminated in the "Eliminations" column. The revenue from external parties and all other items of income, expenses, profits and losses reported in the segment report is measured in a manner consistent with that in the income statement. EBITDA, as presented in the segmental report, refers to earnings before interest, tax, depreciation and amortisation.

The revenues from external customers for each major group of products and services are disclosed in note 25. The group is not reliant on any one major customer as the group's products are consumed by the general public in a large number of countries.

37. SEGMENT INFORMATION (continued)

March 2017	Internet Ecommerce US$'m	Internet Tencent US$'m	Internet Mail.ru US$'m	Video enter-tainment US$'m	Media US$'m
Revenue					
External	2 908	7 506	186	3 389	573
Intersegmental	21	-	-	12	15
Total revenue	2 929	7 506	186	3 401	588
Cost of providing services and sale of goods	(1 923)	(2 744)	(65)	(1 859)	(409)
Selling, general and administration expenses	(1 688)	(1 450)	(45)	(1 022)	(139)
EBITDA	(682)	3 312	76	520	40
Depreciation	(40)	(183)	(8)	(172)	(19)
Amortisation of software	(9)	(4)	(8)	(15)	(2)
Interest on capitalised transponder leases	-	-	-	(46)	-
Trading profit/(loss)	(731)	3 125	60	287	19
Additional disclosure					
Impairment of assets	(23)	(236)	-	(20)	(9)
Remeasurement of disposal group classified as held for sale to fair value less costs of disposal	-	-	-	-	(2)
Impairment of goodwill	(5)	-	-	-	-
Share of equity-accounted results [1]	(216)	2 037	10	(4)	2

Note

[1] *All associates' and joint ventures' results are accounted for using the equity method.*

	Corporate US$'m	Total reportable segments US$'m	Less: Pro-portionately consolidated equity-accounted investments US$'m	Eliminations US$'m	Total US$'m
	-	14 562	(8 464)	-	6 098
	2	50	-	(50)	-
	2	14 612	(8 464)	(50)	6 098
	(1)	(7 001)	3 566	14	(3 421)
	(15)	(4 359)	1 718	36	(2 605)
	(14)	3 252	(3 180)	-	72
	-	(422)	208	-	(214)
	-	(38)	12	-	(26)
	-	(46)	-	-	(46)
	(14)	2 746	(2 960)	-	(214)
	-	(288)	237	-	(51)
	-	(2)	-	-	(2)
	-	(5)	-	-	(5)
	-	1 829	-	-	1 829

37. SEGMENT INFORMATION (continued)

	Internet				
March 2016	Ecommerce US$'m	Tencent US$'m	Mail.ru US$'m	Video enter-tainment US$'m	Media US$'m
Revenue					
External	2 639	5 417	173	3 406	591
Intersegmental	8	-	-	7	17
Total revenue	2 647	5 417	173	3 413	608
Cost of providing services and sale of goods	(1 803)	(1 885)	(57)	(1 723)	(402)
Selling, general and administration expenses	(1 492)	(1 117)	(38)	(891)	(154)
EBITDA	(648)	2 415	78	799	52
Depreciation	(34)	(166)	(8)	(145)	(20)
Amortisation of software	(11)	(3)	(4)	(11)	(3)
Interest on capitalised transponder leases	-	-	-	(33)	-
Trading profit/(loss)	(693)	2 246	66	610	29
Additional disclosure					
Impairment of assets	(9)	(137)	(6)	(13)	(4)
Remeasurement of disposal group classified as held for sale	(88)	-	-	-	-
Impairment of goodwill	(140)	-	-	(5)	-
Share of equity-accounted results [1]	(265)	1 504	51	(3)	2

Note

[1] *All associates' and joint ventures' results are accounted for using the equity method.*

	Corporate US$'m	Total reportable segments US$'m	Less: Pro-portionately consolidated equity-accounted investments US$'m	Eliminations US$'m	Total US$'m
	-	12 226	(6 296)	-	5 930
	1	33	2	(35)	-
	1	12 259	(6 294)	(35)	5 930
	-	(5 870)	2 594	15	(3 261)
	(13)	(3 705)	1 439	20	(2 246)
	(12)	2 684	(2 261)	-	423
	-	(373)	187	-	(186)
	-	(32)	7	-	(25)
	-	(33)	-	-	(33)
	(12)	2 246	(2 067)	-	179
	(29)	(198)	145	-	(53)
	-	(88)	-	-	(88)
	-	(145)	-	-	(145)
	-	1 289	-	-	1 289

37. SEGMENT INFORMATION (continued)

Trading profit as presented in the segment disclosure is the CODM and management's measure of each segment's operational performance. A reconciliation of the segmental trading profit to operating profit and profit before tax as reported in the income statement is provided below:

	31 March	
	2017	2016
	US$'m	US$'m
Trading profit per segment report	**(214)**	179
Adjusted for:		
Finance cost on transponder leases	**46**	33
Amortisation of other intangible assets	**(99)**	(68)
Other (losses)/gains - net	**(57)**	(292)
Retention option expense	**(1)**	(2)
Share-based incentives settled in treasury shares	**(35)**	(27)
Operating loss per the income statement	**(360)**	(177)
Interest received	**70**	40
Interest paid	**(278)**	(292)
Other finance (costs)/income - net	**(259)**	(100)
Share of equity-accounted results	**1 829**	1 289
Impairment of equity-accounted investments	**-**	(55)
Dilution gains on equity-accounted investments	**(119)**	104
Gains on acquisitions and disposals	**2 169**	452
Profit before taxation per the income statement	**3 052**	1 261

37. SEGMENT INFORMATION (continued)

Geographical information

The group operates in five main geographical areas:

Africa - The group derives revenues from video-entertainment platform services, media activities, internet services and technology products and services. The group is domiciled in the Republic of South Africa which is consequently presented separately.

Asia - The group's activities comprise its interest in internet activities based in China, India, Thailand and Singapore.

Europe - The group's activities comprise its interest in internet activities based in Central and Eastern Europe and Russia. Furthermore, the group generates revenue from technology products and services provided by subsidiaries based in The Netherlands.

Latin America - The group's activities comprise its interest in internet activities based in Brazil and other Latin American countries.

Other - Includes the group's provision of various products through internet and technology activities located mainly in Australia and the United States of America.

	Africa						
	South Africa US$'m	Rest of Africa US$'m	Latin America US$'m	Asia US$'m	Europe US$'m	Other US$'m	Total US$'m
March 2017							
External consolidated revenue	**2 851**	**990**	**272**	**177**	**1 720**	**88**	**6 098**
External proportionately consolidated revenue[1]	**2 941**	**1 000**	**298**	**8 309**	**1 915**	**99**	**14 562**
March 2016							
External consolidated revenue	2 709	1 162	252	154	1 576	77	5 930
External proportionately consolidated revenue[1]	2 789	1 179	262	6 131	1 782	81	12 224

Note

[1] *Revenue includes the group's proportionate share of associates' and joint ventures' external revenue.*

Revenue is allocated to a country based on the location of subscribers or users.

38. FINANCIAL RISK MANAGEMENT

Financial risk factors

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. These include the effects of changes in debt and equity markets, foreign currency exchange rates and interest rates. The group's overall risk management programme seeks to minimise the potential adverse effects of financial risks on its financial performance. The group uses derivative financial instruments, such as forward exchange contracts and interest rate swaps, to hedge certain risk exposures.

Risk management is carried out by management under policies approved by the board of directors and its risk management committee. Management identifies, evaluates and, where appropriate, hedges financial risks. The various boards of directors within the group provide written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, the use of derivative financial instruments and the investment of excess liquidity.

Foreign exchange risk

The group operates internationally and is exposed to foreign exchange risk. Although a substantial portion of the group's revenue is denominated in the currencies of the countries in which it operates, a significant portion of cash obligations, including satellite transponder leases and contracts for video-entertainment programming, are denominated in US dollar. Where the group's revenue is denominated in local currency, depreciation of the local currency against the US dollar adversely affects the group's earnings and its ability to meet cash obligations. Some entities in the group use forward exchange contracts to hedge their exposure to foreign currency risk in connection with their obligations. Management may hedge the net position in the major foreign currencies by using forward exchange contracts. The group generally covers forward 100% of firm commitments in foreign currency for a minimum period of 12 months and up to two years in the video-entertainment business. However, in many territories, forward cover is not available and accordingly, such exposures are not hedged. The group also uses forward exchange contracts to hedge foreign currency exposure in its print business where cover is generally taken for 50% to 100% of firm commitments in foreign currency for up to one year.

38. FINANCIAL RISK MANAGEMENT (continued)

Foreign exchange risk (continued)

The group has classified its forward exchange contracts relating to forecast transactions and firm commitments as either cash flow or fair value hedges, and measures them at fair value. Hedged transactions relate mainly to programming costs, transponder lease instalments and the acquisition of inventory items. Movements in the hedging reserve for the year are detailed below:

	31 March	
	2017 US$'m	2016 US$'m
Opening balance	**35**	(2)
Net fair value (losses)/gains	**(64)**	93
Foreign exchange movement	**(1)**	1
Derecognised and added to asset	**(19)**	(62)
Derecognised and reported in cost of sales	**1**	(23)
Derecognised and reported in finance (cost)/income	**(3)**	6
Derecognised and reported in income when recognition criteria failed	**-**	27
Tax effects	**12**	(3)
Non-controlling interest in hedging reserve	**9**	(2)
Closing balance	**(30)**	35

A cumulative after-tax loss of US$29.6m (2016: US$35.2m after-tax gain) has been deferred in the hedging reserve at 31 March 2017. This amount is expected to realise over the next two years. The fair value of all forward exchange contracts designated as cash flow hedges at 31 March 2017 was a net liability of US$29.3m (2016: net liability of US$13.9m), comprising assets of US$7.3m (2016: US$13.0m) and liabilities of US$36.6m (2016: US$26.9m), that were recognised as derivative financial instruments. The fair value of all forward exchange contracts designated as fair value hedges at 31 March 2017 was a liability of US$24.9m (2016: asset of US$21.1m).

38. FINANCIAL RISK MANAGEMENT (continued)

Foreign exchange risk (continued)

During the year ended 31 March 2017, the group recognised losses on fair value hedging instruments of US$1.8m (2016: US$22.8m) and losses of US$31.8m (2016: US$84.0m) on the hedged items attributable to the hedged risks. The amount recognised in the income statement due to the ineffectiveness of cash flow hedges was US$nil (2016: US$nil). As at 31 March 2017 and 2016, the group had no hedges of net investments in foreign operations.

The table below sets out the periods when the cash flows are expected to occur for both fair value and cash flow hedges in place at 31 March 2017:

	Maturing within one year					
	EUR[1] 'm	EUR[2] 'm	US$[1] 'm	CNY[2] 'm	CAD[2] 'm	Other[3] 'm
Total outstanding FECs at 31 March 2017:						
Video-entertainment segment	33	49	361	156	25	17
Corporate segment	-	-	202	-	-	-
Media segment	23	-	2	-	-	3
	56	49	565	156	25	20
Average exchange rate (SA rand)	17.26	-	15.75	-	-	-
Average exchange rate (US dollar)	-	1.12	-	0.14	0.77	0.07

	Maturing within one to two years	
	US$[1] 'm	EUR[1] 'm
Total outstanding FECs at 31 March 2017:		
Video-entertainment segment	139	34
Corporate segment	65	-
Media segment	-	-
	204	34
Average exchange rate (SA rand)	14.95	17.25

	Maturing within one year			Maturing within one to two years
	EUR[1] 'm	US$[1] 'm	Other[1] 'm	US$[1] 'm
Total outstanding FECs at 31 March 2016:				
Video-entertainment segment	32	351	-	87
Corporate segment	-	192	-	57
Media segment	25	7	2	-
	57	550	2	144
US dollar contract value (US$'m)	68	525	3	165
Average exchange rate (SA rand)	17.80	14.10	22.95	16.92

Notes:

[1] Group entities that are party to these foreign exchange contracts have SA rand functional currencies.

[2] Group entities that are party to these foreign exchange contracts have US dollar functional currencies.

[3] The majority of these FECs relate to contracts denominated in Indian rupees, British pound and South African rand and have been expressed in the US dollar equivalent.

38. FINANCIAL RISK MANAGEMENT (continued)

Foreign exchange risk (continued)

Where the group has surplus funds offshore, the treasury policy is to spread the funds between more than one currency to limit the effect of foreign exchange rate fluctuations and to generate the highest possible interest income. As at 31 March 2017, the group had a net cash balance of US$4.0bn (2016: US$1.7bn), of which US$476.7m (2016: US$426.0m) was held in South Africa. The US$3.5bn (2016: US$1.3bn) held offshore was largely denominated in US dollar, euro, Polish zloty, Indian rupee, Brazilian real and Nigerian naira. The group utilises its holdings of certain formally designated foreign currency denominated cash balances to internally hedge the foreign exchange exposure arising from the future purchase of sports rights which are denominated in US dollar and where the purchasing entity has a functional currency other than US dollar.

Foreign currency sensitivity analysis

The group's presentation currency is the US dollar, but as it operates internationally, it is exposed to a number of currencies, of which the exposure to the US dollar, euro and Nigerian naira is the most significant. The group is also exposed to the Chinese yuan renminbi and Brazil real, albeit to a lesser extent. For purposes of the below analysis, financial instruments are only considered sensitive to foreign exchange rates when they are not denominated in the functional currency of the group entity holding the relevant financial instrument.

The sensitivity analysis details the group's sensitivity to a 10% decrease (2016: 10% decrease) in the SA rand against the US dollar and euro, as well as a 10% increase of the US dollar against the euro and 15% against the Nigerian naira (2016: 10% decrease of the US dollar against the euro and Polish zloty). These movements would result in a US$143.7m decrease in net profit after tax for the year (2016: 24.2m increase). Total equity would increase by US$24.3m (2016: US$10.1m increase).

This analysis includes only outstanding foreign currency denominated monetary assets and liabilities (i.e. those monetary assets and liabilities denominated in a currency that differs from the relevant group company's functional currency) and adjusts their translation at the period-end for the above percentage changes in foreign currency rates. The sensitivity analysis includes external loans, as well as loans to foreign operations within the group, but excludes translation differences due to translating from functional currency to presentation currency. The analysis has been adjusted for the effect of hedge accounting.

Foreign exchange rates

The exchange rates used by the group to translate foreign entities' income statements, statements of comprehensive income and statements of financial position are as follows:

	31 March 2017		31 March 2016	
	Average rate	**Closing rate**	Average rate	Closing rate
Currency (1FC = US$)				
South African rand	**0.0713**	**0.0745**	0.0721	0.0677
Euro	**1.0940**	**1.0652**	1.1017	1.1380
Chinese yuan renminbi	**0.1483**	**0.1452**	0.1572	0.1551
Brazilian real	**0.3061**	**0.3202**	0.2753	0.2783
Nigerian naira	**0.0035**	**0.0033**	0.0050	0.0050
Indian rupee	**0.0149**	**0.0154**	0.0152	0.0151
Polish zloty	**0.2516**	**0.2517**	0.2604	0.2682
Russian rouble	**0.0159**	**0.0178**	0.0156	0.0149

The average rates listed above are only approximate average rates for the year. The group measures separately the transactions of each of its material operations, using the particular currency of the primary economic environment in which the operation conducts its business, translated at the prevailing exchange rate on the transaction date.

38 FINANCIAL RISK MANAGEMENT (continued)

Foreign exchange risk (continued)

Foreign exchange rates *(continued)*

The below table details the group's unhedged liabilities that are denominated in a currency other than the functional currency of the settling entity:

	31 March 2017		31 March 2016	
	Currency amount of liabilities 'm	**US$'m**	Currency amount of liabilities 'm	US$'m
Uncovered liabilities				
US dollar	**915**	**915**	1 801	1 801
British pound	**5**	**6**	6	9
Euro	**90**	**95**	187	212
Canadian dollar	**5**	**4**	1	-
Chinese yuan renminbi	**26**	**4**	16	2
Nigerian naira	**3 728**	**12**	6	-
Other	**-**	**4**	-	12

Derivative financial instruments

The following table details the group's derivative financial instruments:

	31 March 2017		31 March 2016	
	Assets US$'m	**Liabilities US$'m**	Assets US$'m	Liabilities US$'m
Current portion				
Forward exchange contracts	**-**	**95**	48	10
Shareholders' liabilities[(1)]	**-**	**18**	-	12
Interest rate swaps	**-**	**6**	-	9
Currency devaluation features[(2)]	**6**	**-**	11	-
	6	**119**	59	31
Non-current portion				
Forward exchange contracts	**2**	**11**	-	7
Shareholders' liabilities[(1)]	**-**	**-**	-	1
Interest rate swaps	**-**	**2**	-	12
	2	**13**	-	20
Total	**8**	**132**	59	51

Notes

(1) *Shareholders' liabilities relate to written option agreements in terms of which non-controlling shareholders can sell their stakes to the group based on specified terms and conditions. The total value of shareholders' liabilities at 31 March 2017 was US$17.9m (2016: US$13.5m).*

(2) *Currency devaluation features relate to clauses in content acquisition agreements that provide the group with a contractually specified level of currency devaluation protection. The total value of derivative assets arising from such agreements at 31 March 2017 amounted to US$6.0m (2016: US$10.9).*

The group's forward exchange contracts and interest rate swaps are subject to master netting arrangements that allow for offsetting of asset and liability positions with the same counterparty in the event of default. None of the group's forward exchange contracts and interest rate swap agreements have been offset in the statement of financial position. Had forward exchange contracts been offset, the net liability presented in the statement of financial position would amount to US$104.1m (2016: net asset of US$31.5m).

38. FINANCIAL RISK MANAGEMENT (continued)

Credit risk

The group is exposed to credit risk relating to the following assets:

Investments and loans

There is no concentration of credit risk within investments and loans.

Trade receivables

Trade receivables consist primarily of invoiced amounts from normal trading activities. The group has a large diversified customer base across many geographical areas. Various credit checks are performed on new debtors to determine the quality of their credit history. These checks are also performed on existing debtors with long-overdue accounts. Furthermore, current debtors are monitored to ensure they do not exceed their credit limits.

Other receivables

There is no concentration of credit risk within other receivables. The level of interest in related party receivables minimises the credit risk.

Cash, deposits and derivative assets

The group is exposed to certain concentrations of credit risk relating to its cash, current investments and derivative assets. It places these instruments mainly with major banking groups and high-quality institutions that have high credit ratings. The group's treasury policy is designed to limit exposure to any one institution and to invest excess cash in low-risk investment accounts. As at 31 March 2017, the group held the majority of its cash, deposits and derivative assets with local and international banks with a 'Baa2' credit rating or higher (Moody's International's long-term deposit rating). The counterparties that are used by the group are evaluated on a continuous basis.

38. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk

Prudent liquidity risk management implies, among other aspects, maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. In terms of the memorandum of incorporation of the company, no limitation is placed on its borrowing capacity. The facilities expiring within one year are subject to renewal at various dates during the next year. The group had the following unutilised banking facilities as at 31 March 2017 and 2016:

	31 March	
	2017 US$'m	2016 US$'m
On call	**167**	140
Expiring within one year	**128**	5
Expiring beyond one year	**2 505**	2 603
	2 800	2 748

The following analysis details the remaining contractual maturity of the group's non-derivative and derivative financial liabilities. The analysis is based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group can be required to settle the liability. The analysis includes both interest and principal cash flows.

	31 March 2017				
	Carrying value US$'m	**Contractual cash flows US$'m**	**0 - 12 months US$'m**	**1 - 5 years US$'m**	**5 years + US$'m**
Non-derivative financial liabilities					
Interest-bearing: Capitalised finance leases [(1)]	**(1 211)**	**(1 557)**	**(110)**	**(514)**	**(933)**
Interest-bearing: Loans and other liabilities	**(2 898)**	**(3 704)**	**(858)**	**(1 415)**	**(1 431)**
Non-interest bearing: Programme and film rights	**(125)**	**(127)**	**(115)**	**(12)**	**-**
Non-interest-bearing: Loans and other liabilities	**(28)**	**(28)**	**(26)**	**(2)**	**-**
Trade payables [(1)]	**(505)**	**(508)**	**(508)**	**-**	**-**
Accrued expenses and other current liabilities [(1)]	**(621)**	**(621)**	**(621)**	**-**	**-**
Related party payables	**(7)**	**(7)**	**(7)**	**-**	**-**
Dividends payable	**(4)**	**(4)**	**(4)**	**-**	**-**
Bank overdrafts and call loans	**(4)**	**(4)**	**(4)**	**-**	**-**
Derivative financial assets/(liabilities)					
Forward exchange contracts - inflow	**-**	**776**	**586**	**190**	**-**
Forward exchange contracts - outflow	**(104)**	**(886)**	**(687)**	**(199)**	**-**
Currency devaluation features	**6**	**6**	**5**	**1**	**-**
Shareholders' liabilities	**(18)**	**(18)**	**(18)**	**-**	**-**
Interest rate swaps	**(8)**	**(8)**	**(6)**	**(2)**	**-**

[(1)] *Includes financial liabilities classified as held for sale - refer to note 16.*

38 FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk (continued)

	31 March 2016				
	Carrying value US$'m	Contractual cash flows US$'m	0 - 12 months US$'m	1 - 5 years US$'m	5 years + US$'m
Non-derivative financial liabilities					
Interest-bearing: Capitalised finance leases	(836)	(1 082)	(103)	(381)	(598)
Interest-bearing: Loans and other liabilities	(2 926)	(3 728)	(170)	(2 127)	(1 431)
Non-interest bearing: Programme and film rights	(136)	(140)	(124)	(16)	-
Non-interest-bearing: Loans and other liabilities	(26)	(26)	(23)	(3)	-
Trade payables	(437)	(439)	(439)	-	-
Accrued expenses and other current liabilities	(526)	(526)	(526)	-	-
Related party payables	(4)	(4)	(4)	-	-
Dividends payable	(3)	(3)	(3)	-	-
Bank overdrafts and call loans	(1)	(1)	(1)	-	-
Derivative financial assets/(liabilities)					
Forward exchange contracts - inflow	31	794	628	166	-
Forward exchange contracts - outflow	-	(759)	(594)	(165)	-
Currency devaluation features	11	11	9	2	-
Shareholders' liabilities	(13)	(13)	(12)	(1)	-
Interest rate swaps	(21)	(21)	(9)	(12)	-

38. FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk

As part of the process of managing the group's fixed and floating borrowings mix, the interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates. Where appropriate, the group uses derivative financial instruments, such as interest rate swap agreements, purely for hedging purposes. The fair value of these instruments will not change significantly as a result of changes in interest rates due to their short-term nature and floating interest rates.

The group has an interest rate swap agreement in place with respect to its revolving credit facility (US$2.5bn facility which is fully undrawn as at 31 March 2017). This interest rate swap agreement commenced on 29 February 2016, has a notional value of US$500m and carries interest at 2.37%. This interest rate swap expires on 31 October 2018.

During the prior year, an expense of US$20.3m was recognised with respect to ineffectiveness in the hedging relationship between interest rate swap agreements and interest bearing borrowings.

The fair values of the group's interest rate swaps amounted to a net liability of US$7.9m (2016: net liability of US$20.62m) as at 31 March 2017.

Refer to note 21 for the interest rate profiles and repayment terms of long-term liabilities as at 31 March 2017 and 2016.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the statement of financial position date (after taking into account the effect of hedge accounting) and the stipulated change taking place at the beginning of the next financial year and held constant throughout the reporting period in the case of instruments that have floating rates. The group is mainly exposed to interest rate fluctuations of the South African, American, European and London repo rates. Management's best estimate of the possible change in these interest rates is an increase of 100-basis points (2016:100-basis points).

If interest rates changed as stipulated above and all other variables were held constant, specifically foreign exchange rates, the group's net profit after tax for the year ended 31 March 2017 and total equity as at 31 March 2017 would increase by US$8.5m (2016: increase by US$9.2m).

39. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values, net gains and losses recognised in profit and loss, total interest income, total interest expense and impairment per class of financial instrument are as follows:

	31 March 2017			
	Carrying value US$'m	Net gains/ (losses) recognised in profit or loss US$'m	Total interest income US$'m	Impairment US$'m
Assets				
Investments and loans	82	-	2	2
Investments in preference shares and convertible notes of associates	15	-	-	-
Available-for-sale investments[1]	43	-	-	-
Other loans and receivables	16	-	1	-
Related party loans	8	-	1	2
Receivables and loans	650	(31)	5	21
Trade receivables[2]	452	(2)	3	24
Other receivables[2]	195	(4)	2	(3)
Foreign currency intergroup receivables	-	(25)	-	-
Related party receivables	3	-	-	-
Derivative financial instruments	8	15	-	-
Forward exchange contracts	2	4	-	-
Currency devaluation features	6	11	-	-
Cash and cash equivalents[2]	4 030	-	53	-
Total	4 770	(16)	60	23

Note

[1] *During the period a gain of US$1m (2016: US$10.7m) was recognised in other comprehensive income with respect to the group's available-for-sale investments.*

[2] *Includes financial instruments classified as held for sale. Refer to note 16.*

39. FAIR VALUE OF FINANCIAL INSTRUMENTS

	31 March 2017		
	Carrying value US$'m	Net gains/ (losses) recog-nised in profit or loss US$'m	Total interest expense US$'m
Liabilities			
Long-term liabilities	**3 347**	**42**	**241**
Interest-bearing: Capitalised finance leases[(1)]	**1 147**	**41**	**44**
Interest-bearing: Loans and other liabilities	**2 198**	**1**	**197**
Non-interest-bearing: Loans and other liabilities	**2**	**-**	**-**
Short-term payables and loans	**2 052**	**(198)**	**26**
Interest-bearing: Capitalised finance leases[(1)]	**64**	**1**	**2**
Interest-bearing: Loans and other liabilities	**700**	**-**	**2**
Non-interest-bearing: Programme and film rights	**125**	**12**	**10**
Non-interest-bearing: Loans and other liabilities	**26**	**(1)**	**-**
Trade payables[(1)]	**505**	**(2)**	**9**
Accrued expenses and other current liabilities[(1)]	**621**	**(4)**	**2**
Related party payables	**7**	**-**	**1**
Foreign currency intergroup payables	**-**	**(204)**	**-**
Dividends payable	**4**	**-**	**-**
Derivative financial instruments	**132**	**(83)**	**-**
Forward exchange contracts	**106**	**(83)**	**-**
Shareholders' liabilities	**18**	**(4)**	**-**
Interest rate swaps	**8**	**4**	**-**
Bank overdrafts and call loans	**4**	**-**	**1**
Total	**5 535**	**(239)**	**268**

[(1)] *Includes financial instruments classified as held for sale. Refer to note 16.*

The carrying values of all financial instruments, apart from those disclosed below and certain available-for-sale investments (refer to note 10), are considered to be a reasonable approximation of their fair values.

The fair values of the following instruments that are not measured at fair value have been disclosed as their carrying values are not a reasonable approximation of fair value:

Financial liabilities

Financial liabilities	Carrying value US$'m	Fair value US$'m	Level 1 US$'m	Level 2 US$'m	Level 3 US$'m
31 March 2017					
Capitalised finance leases[(1)]	**1 211**	**1 199**	**-**	**-**	**1 199**
Publicly traded bonds	**2 900**	**3 041**	**-**	**3 041**	**-**
31 March 2016					
Capitalised finance leases	836	865	-	-	865
Publicly traded bonds	2 900	3 029	-	3 029	-

[(1)] *Includes financial liabilities classified as held for sale - refer to note 16.*

39. FAIR VALUE FINANCIAL INSTRUMENTS (continued)

	31 March 2016			
	Carrying value US$'m	Net gains/ (losses) recog-nised in profit or loss US$'m	Total interest income US$'m	Impair-ment US$'m
Assets				
Investments and loans	57	-	3	29
Loans and receivables	6	-	2	29
Available-for-sale investments	34	-	-	-
Other	14	-	1	-
Related party loans	3	-	-	-
Receivables and loans	572	129	-	27
Trade receivables	393	-	-	24
Other receivables	178	129	-	3
Related party receivables	1	-	-	-
Derivative financial instruments	59	102	-	-
Forward exchange contracts	48	94	-	-
Currency devaluation features	11	8	-	-
Cash and cash equivalents	1 714	25	34	-
Total	2 402	256	37	56

39. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	31 March 2016		
	Carrying value US$'m	Net gains/ (losses) recog-nised in profit or loss US$'m	Total interest expense US$'m
Liabilities			
Long-term liabilities	3 697	(62)	217
Interest-bearing: Capitalised finance leases	771	(62)	31
Interest-bearing: Loans and other liabilities	2 922	-	186
Non-interest-bearing: Loans and other liabilities	4	-	-
Short-term payables and loans	1 197	(243)	21
Interest-bearing: Capitalised finance leases	65	(5)	2
Interest-bearing: Loans and other liabilities	4	1	1
Non-interest-bearing: Programme and film rights	136	(24)	9
Non-interest-bearing: Loans and other liabilities	22	3	-
Trade payables	437	(40)	7
Accrued expenses and other current liabilities	526	(4)	2
Related party payables	4	-	-
Foreign currency intergroup payables	-	(174)	-
Dividends payable	3	-	-
Derivative financial instruments	51	(4)	40
Forward exchange contracts	17	2	-
Shareholders' liabilities	13	(6)	-
Interest rate swaps	21	-	40
Bank overdrafts and call loans	1	-	3
Total	4 946	(309)	281

The group categorises fair-value measurements into levels 1 to 3 of the fair value hierarchy based on the degree to which the inputs used in measuring fair value are observable:

– Level 1 fair-value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

– Level 2 fair-value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). The fair value of financial instruments that are not traded in active markets (for example, derivatives such as interest rate swaps, forward exchange contracts and certain options) is determined through valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to measure the fair value of an instrument are observable, the instrument is included in level 2.

– Level 3 fair-value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

39. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Valuation techniques and key inputs used to measure significant level 2 and level 3 fair values

Level 2 fair-value measurements

- *Forward exchange contracts* – in measuring the fair value of forward exchange contracts, the group makes use of market observable quotes of forward foreign exchange rates on instruments that have a maturity similar to the maturity profile of the group's forward exchange contracts. Key inputs used in measuring the fair value of forward exchange contracts include: current spot exchange rates, market forward exchange rates and the term of the group's forward exchange contracts.

- *Interest rate swaps* – the fair value of the group's interest rate swaps is determined through the use of discounted cash flow techniques using only market observable information. Key inputs used in measuring the fair value of interest rate swaps include: spot market interest rates, contractually fixed interest rates, counterparty credit spreads, notional amounts on which interest rate swaps are based, payment intervals, risk-free interest rates as well as the duration of the relevant interest rate swap arrangement.

Level 3 fair-value measurements

- *Shareholders' liabilities* – relate predominantly to written put options and derivative financial instruments contained in shareholders' agreements to which the group is a party that grant or allow another shareholder in a group entity to purchase or sell interests in those entities to the group. Options are valued using appropriate option pricing models as well as discounted cash flow analyses. Significant inputs include: the current fair value of the underlying share over which the instrument is written, the strike price of the option, risk-free interest rates, calculated volatilities and the period to exercise.

- *Earn-out obligations* – relate to amounts that are payable to the former owners of businesses now controlled by the group provided that contractually stipulated post-combination performance criteria are met. These are remeasured to fair value at the end of each reporting period. Key inputs used in measuring fair value include: current forecasts of the extent to which management believe performance criteria will be met, discount rates reflecting the time value of money and contractually specified earn-out payments.

- *Currency devaluation features* – relate to clauses in content acquisition agreements that provide the group with protection in the event of significant devaluations of the purchasing entity's functional currency relative to the currency of the content acquisition agreement. The fair value of currency devaluation features is measured through the use of discounted cash flow techniques. Key inputs used in measuring fair value include the terms and benchmark rates contained in content acquisition agreements and spot exchange rates prevailing at the relevant measurement dates.

Instruments not measured at fair value for which fair value is disclosed

- *Level 2* – the fair values of the publicly traded bonds have been determined with reference to the listed prices of the instruments at the reporting date. As the instruments are not actively traded, this is a level 2 disclosure.

- *Level 3* – the fair values of all level 3 disclosures have been determined through the use of discounted cash flow analyses. Key inputs include current market interest rates as well as contractual cash flows.

39. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The fair values of the group's financial instruments that are measured at fair value at each reporting period are categorised as follows:

	31 March 2017			
	Fair value US$'m	**Level 1 US$'m**	**Level 2 US$'m**	**Level 3 US$'m**
Assets				
Available-for-sale investments	**13**	**11**	**2**	**-**
Forward exchange contracts	**2**	**-**	**2**	**-**
Currency devaluation features	**6**	**-**	**-**	**6**
Total	**21**	**11**	**4**	**6**
Liabilities				
Forward exchange contracts	**106**	**-**	**106**	**-**
Shareholders' liabilities	**18**	**-**	**-**	**18**
Earn-out obligations	**24**	**-**	**-**	**24**
Interest rate swaps	**8**	**-**	**8**	**-**
Total	**156**	**-**	**114**	**42**

	31 March 2016			
	Fair value US$'m	Level 1 US$'m	Level 2 US$'m	Level 3 US$'m
Assets				
Available-for-sale investments	12	12	-	-
Forward exchange contracts	48	-	48	-
Currency devaluation features	11	-	-	11
Total	71	12	48	11
Liabilities				
Forward exchange contracts	17	-	17	-
Shareholders' liabilities	13	-	-	13
Earn-out obligations	22	-	-	22
Interest rate swaps	21	-	21	-
Total	73	-	38	35

There were no transfers between level 1 and level 2 during any period presented.

40. SUBSEQUENT EVENTS

In April 2017 the group signed an agreement to acquire a controlling stake in its associate Takealot Online (RF) Proprietary Limited (Takealot) for approximately R960m (US$73m). Following the investment, the group will consolidate Takealot as a subsidiary and will hold a fully diluted interest of 53.6%. The transaction is subject to regulatory approval.

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. Following the investment, the group holds a 16% interest in Flipkart on a fully diluted basis.

The group invested an additional US$132m in its associate MakeMyTrip Limited (MakeMyTrip), during May 2017, as part of an equity funding round. Following the investment, the group holds a 40% interest in MakeMyTrip on a fully diluted basis.

In May 2017 the group invested €387m (approximately US$434m) for a 10% fully diluted interest in Delivery Hero GmbH, an online food-ordering and delivery marketplace business operating in over 40 countries globally.

During May 2017 the group committed to an investment of €110m (approximately US$120m) in Kreditech Holding SSL GmbH (Kreditech), a provider of consumer lending and financial services. The investment is a combination of subscriptions for new shares and purchases of shares from existing shareholders in an aggregate amount of €90m and convertible loans of €20m to be advanced in future. The investment is part of the group’s credit services strategy, which will continue to establish it as a leading fintech provider in high-growth markets. Following the completion of the investment (excluding the convertible loans), the group will hold a 37.6% interest in Kreditech.

The group concluded the disposal of its investment in Souq Group Limited in May 2017. The proceeds on the disposal amounted to US$173m.

In June 2017 the group invested INR3.9bn (approximately US$60m) in Bundl Technologies Private Limited (Swiggy), the operator of a first-party food delivery marketplace in India. Following the investment, the group holds a 14.8% interest in Swiggy on a fully diluted basis.

41. EQUITY COMPENSATION BENEFITS

The group had various equity compensation plans in operation during the financial year, the majority of which are classified as equity-settled. In terms of these plans, employees are offered awards in the form of either share options, share appreciation rights (SARs) or restricted stock units (RSUs). All awards are granted subject to the completion of a requisite service (vesting) period by employees, ranging from one year to five years. Unvested awards are subject to forfeiture on termination of employment. Vesting takes place in tranches depending on the duration of the total vesting period.

In respect of the share options and SARs on exercise date, following completion of the vesting period, awards are settled with employees through the issuance of equity instruments of Naspers Limited or its subsidiaries for equity-settled plans and in cash or other assets for cash-settled plans. In respect of RSUs, awards are automatically settled in Naspers Limited equity instruments with participants on the vesting date.

Movements in terms of the group's significant share trust incentive plans are as follows:

	31 March 2017			
	Naspers	**Naspers RSU**	**MIH Holdings**	**MIH (Mauritius) Limited**
Shares				
Outstanding at 1 April	**241 082**	**93 643**	**693 290**	**2 274 456**
Granted	**30 258**	**86 888**	**94 118**	**265 715**
Exercised	**(43 566)**	**(47 803)**	**(175 047)**	**(179 727)**
Forfeited	**(5 224)**	**(33 124)**	**(13 955)**	**(20 129)**
Cancelled	**-**	**-**	**(248)**	**-**
Outstanding at 31 March	**222 550**	**99 604**	**598 158**	**2 340 315**
Available to be implemented at 31 March	**89 989**	**-**	**201 339**	**1 131 780**
Weighted average exercise price	**(rand)**	**(rand)**	**(rand)**	**(rand)**
Outstanding at 1 April	**785.28**	**-**	**782.87**	**773.64**
Granted	**2 286.02**	**-**	**2 387.56**	**2 235.36**
Exercised	**286.64**	**-**	**421.90**	**274.86**
Forfeited	**1 231.62**	**-**	**2 003.39**	**1 260.92**
Cancelled	**-**	**-**	**888.80**	**-**
Outstanding at 31 March	**1 076.46**	**-**	**1 112.48**	**973.72**
Available to be implemented at 31 March	**339.48**	**-**	**440.76**	**469.84**
Weighted average share price of options taken up during the year				
Shares	**43 566**	**24 083**	**175 047**	**179 727**
Weighted average share price	**2 209.73**	**2 187**	**2 242.31**	**2 137.52**

41. EQUITY COMPENSATION BENEFITS (continued)

Movements in terms of the group's significant share trust incentive plans are as follows:

	31 March 2016			
	Naspers	Naspers RSU	MIH Holdings	MIH (Mauritius) Limited
Shares				
Outstanding at 1 April	376 846	-	816 186	2 481 434
Granted	22 052	96 718	108 965	153 046
Exercised	(138 070)	-	(195 621)	(322 825)
Forfeited	(19 746)	(3 075)	(34 210)	(37 199)
Cancelled	-	-	(2 030)	-
Outstanding at 31 March	241 082	93 643	693 290	2 274 456
Available to be implemented at 31 March	104 059	-	198 094	891 007
Weighted average exercise price	(rand)	(rand)	(rand)	(rand)
Outstanding at 1 April	503.86	-	561.04	654.74
Granted	1 737.32	-	1 739.59	1 766.42
Exercised	154.50	-	367.16	334.70
Forfeited	888.21	-	858.41	735.56
Cancelled	-	-	1 736.11	-
Outstanding at 31 March	785.28	-	782.87	773.64
Available to be implemented at 31 March	254.50	-	285.04	198.25
Weighted average share price of options taken up during the year				
Shares	138 070	-	195 621	322 825
Weighted average share price	1 974.99	-	1 898.85	1873.17

41. EQUITY COMPENSATION BENEFITS (continued)

Movements in terms of the group's significant share appreciation rights plans are as follows:

	31 March 2017			
	CEE Marketplaces	Showmax	MIH Internet SEA Pte Ltd [1]	MultiChoice 2008
SARs				
Outstanding at 1 April	162 125	428 091	7 305 212	18 265 920
Granted	28 798	442 358	1 378 910	8 120 630
Exercised	(177 288)	-	(642 421)	(1 341 060)
Forfeited	(13 422)	(27 016)	(7 392 061)	(1 783 277)
Cancelled	-	-	-	(10 232)
Outstanding at 31 March	213	843 433	649 640	23 251 981
Available to be implemented at 31 March	213	82 858	300 941	2 920 816
Weighted average exercise price	(US$)	(US$)	(US$)	(rand)
Outstanding at 1 April	229.03	18.00	3.71	112.93
Granted	252.10	18.00	6.49	116.30
Exercised	232.75	-	2.99	99.08
Forfeited	229.17	18.00	4.32	116.13
Cancelled	-	-	-	116.30
Outstanding at 31 March	243.94	18.00	3.37	114.66
Available to be implemented at 31 March	243.94	18.00	2.88	103.96
Weighted average share price of options taken up during the year				
Shares	177 288	-	642 421	1 341 060
Weighted average share price	301.04	-	8.49	116.30

[1] Forfeitures resulted from participants forfeiting their MIH Internet SEA Pte Ltd awards on replacement of those awards by MakeMyTrip Limited. Refer to note 3 for details of the merger of the group's travel business, ibibo, with MakeMyTrip.

41. EQUITY COMPENSATION BENEFITS (continued)

Movements in terms of the group's significant share appreciation rights plans are as follows:

	31 March 2016			
	CEE Marketplaces	Showmax	MIH Internet SEA Pte Ltd	MultiChoice 2008
SARs				
Outstanding at 1 April	85 746	-	7 317 426	14 095 456
Granted	109 418	-	1 158 552	7 951 120
Exercised	(20 807)	-	(203 366)	(2 239 560)
Forfeited	(12 232)	-	(967 400)	(1 485 980)
Cancelled	-	-	-	(55 116)
Outstanding at 31 March	162 125	-	7 305 212	18 265 920
Available to be implemented at 31 March	4 935	-	2 306 013	1 671 673
Weighted average exercise price	(US$)	(US$)	(US$)	(rand)
Outstanding at 1 April	192.23	-	3.41	110.08
Granted	249.30	-	5.61	113.19
Exercised	192.23	-	2.95	95.14
Forfeited	215.03	-	3.94	114.15
Outstanding at 31 March	229.03	-	3.71	112.93
Available to be implemented at 31 March	208.93	-	3.17	95.23
Weighted average share price of options taken up during the year				
Shares	20 807	-	203 366	2 239 560
Weighted average share price	249.30	-	4.76	113.19

41. EQUITY COMPENSATION BENEFITS (continued)

Movements in terms of the group's significant share appreciation rights plans are as follows:

	31 March 2017		
	Naspers Global Classifieds	Naspers Global ecommerce	Naspers Fintech B.V.
SARs			
Outstanding at 1 April	8 523 139	9 779 686	1 188 028
Granted	5 474 734	865 988	597 885
Exercised	(109 960)	(62 299)	(141 246)
Forfeited	(733 549)	(40 424)	(181 105)
Outstanding at 31 March	13 154 364	10 542 951	1 463 562
Available to be implemented at 31 March	1 897 587	3 632 489	261 121
Weighted average exercise price	(US$)	(US$)	(US$)
Outstanding at 1 April	4.56	15.96	41.00
Granted	6.15	20.45	40.92
Exercised	4.68	16.57	40.03
Forfeited	4.40	18.10	41.55
Outstanding at 31 March	5.23	16.32	40.99
Available to be implemented at 31 March	4.35	15.78	41.09
Weighted average share price of options taken up during the year			
Shares	109 960	62 299	141 246
Weighted average share price	6.15	23.36	40.92

41. EQUITY COMPENSATION BENEFITS (continued)

Movements in terms of the group's significant share appreciation rights plans are as follows:

	31 March 2016		
	Naspers Global Classifieds	Naspers Global ecommerce	Naspers Fintech B.V.
SARs			
Outstanding at 1 April	2 364 714	8 492 327	781 856
Granted	6 262 255	1 290 629	774 808
Exercised	-	(1 925)	(72 184)
Forfeited	(103 830)	(1 345)	(296 452)
Outstanding at 31 March	8 523 139	9 779 686	1 188 028
Available to be implemented at 31 March	514 876	1 696 522	132 849
Weighted average exercise price	(US$)	(US$)	(US$)
Outstanding at 1 April	3.54	15.58	40.96
Granted	4.95	18.46	40.63
Exercised	-	15.58	39.10
Forfeited	4.96	18.59	40.39
Outstanding at 31 March	4.56	15.96	41.00
Available to be implemented at 31 March	3.64	15.58	40.94
Weighted average share price of options taken up during the year			
Shares	-	1 925	72 184
Weighted average share price	-	17.80	40.63

41. EQUITY COMPENSATION BENEFITS (continued)

Share option allocations outstanding and currently available to be implemented at 31 March 2017 by exercise price for the group's significant share incentive plans:

	Share options outstanding			Share options currently available	
Exercise prices	Number outstanding at 31 March 2017	Weighted average remaining contractual life (years)	Weighted average exercise price	Exercisable at 31 March 2017	Weighted average exercise price
Naspers (SA rand)					
138.87 to 176.90	**24 854**	1.04	149.07	**24 854**	149.07
251.00 to 288.00	**11 174**	3.07	268.01	**11 174**	268.01
306.00 to 364.35	**30 754**	4.46	350.65	**30 754**	350.65
436.83 to 484.70	**26 643**	5.32	452.72	**17 504**	452.72
770.00 to 888.80	**16 369**	6.40	859.01	**5 119**	859.01
1 305.00 to 1 742.96	**82 498**	7.84	1 536.87	**584**	1 536.87
2 039.97 to 2 431.64	**30 258**	9.51	2 286.02	**-**	2 286.02
	222 550			**89 989**	
MIH Holdings Limited (SA rand)					
138.87 to 191.02	**40 001**	1.02	148.74	**40 001**	148.74
251.00 to 379.42	**68 755**	3.81	329.52	**68 755**	329.52
432.00 to 888.80	**203 650**	4.54	445.79	**80 574**	445.79
1 155.00 to 1 479.99	**103 273**	7.30	1 314.96	**10 866**	1 282.59
1 702.64 to 1 820.99	**92 170**	8.47	1 740.05	**572**	1 726.77
2 039.97 to 2 431.64	**90 309**	9.41	2 385.70	**571**	2 102.12
	598 158			**201 339**	
MIH (Mauritius) Limited (SA rand)					
138.87 to 292.56	**606 413**	1.39	155.89	**606 413**	155.89
304.05 to 379.42	**116 581**	4.19	339.46	**116 581**	339.46
436.83 to 549.00	**150 571**	5.40	474.21	**98 126**	474.21
770.00 to 1305.00	**945 758**	6.94	1 126.49	**310 660**	1 125.67
1 380.78 to 1 742.96	**216 688**	3.72	703.46	**-**	-
1 820.00 to 1 995.00	**55 064**	1.41	1 735.42	**-**	-
2 039.97 to 2206.00	**162 236**	9.28	2 160.34	**-**	-
2 431.64 to 2 448.64	**87 004**	5.41	2 431.75	**-**	-
	2 340 315			**1 131 780**	

41. EQUITY COMPENSATION BENEFITS (continued)

Share option allocations outstanding and currently available to be implemented at 31 March 2017 by exercise price for the group's significant share incentive plans:

	SARs outstanding			SARs currently available	
Exercise prices	**Number outstanding at 31 March 2017**	**Weighted average remaining contractual life (years)**	**Weighted average exercise price**	**Exercisable at 31 March 2017**	**Weighted average exercise price**
CEE Marketplaces (US$)					
192.23 to 249.30	**213**	8.38	243.94	**213**	243.94
	213			**213**	
Showmax (US$)					
18.00	**843 433**	8.95	18.00	**82 858**	18.00
	843 433			**82 858**	
MIH Internet SEA Pte Ltd (US$)					
2.50 to 6.49	**649 640**	6.57	3.37	**300 941**	2.88
	649 640			**300 941**	
MultiChoice 2008 (SA rand)					
69.31 to 103.23	**2 631 682**	4.75	98.50	**1 886 839**	98.50
113.19 to 125.60	**20 620 299**	8.40	116.72	**1 033 977**	116.72
	23 251 981			**2 920 816**	
Naspers Global Classifieds (US$)					
3.54 to 6.15	**13 154 364**	8.70	5.23	**1 897 587**	4.35
	13 154 364			**1 897 587**	
Naspers Global ecommerce (US$)					
15.58 to 20.45	**10 542 951**	7.75	16.32	**3 632 489**	15.78
Naspers Fintech (US$)					
39.10 to 43.51	**1 463 562**	8.70	40.99	**261 121**	41.09
	1 463 562			**261 121**	

41. EQUITY COMPENSATION BENEFITS (continued)

Share trust incentive plan grants made during the year relating to the group's significant plans:

	31 March 2017			
	Naspers (SA rand)	**Naspers RSU (SA rand)**	**MIH Holdings (SA rand)**	**MIH (Mauritius) (SA rand)**
Weighted average fair value at measurement date	**964.32**	**2 305.32**	**1 010.64**	**960.82**
This weighted average fair value has been calculated using the Bermudan Binomial option pricing model, using the following inputs and assumptions:				
Weighted average share price	**2 286**	**-**	**2 388**	**2 235**
Weighted average exercise price	**2 286**	**-**	**2 388**	**2 235**
Weighted average expected volatility	**30.7%**	**-**	**30.9%**	**32.3%**
Weighted average option life (years)	**10.0**	**2.0**	**10.0**	**10.0**
Weighted average dividend yield (%)	**0.3%**	**0.3%**	**0.3%**	**0.3%**
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	**8.5%**	**-**	**8.5%**	**8.4%**
Weighted average annual suboptimal rate (%)	**316%**	**-**	**316%**	**316%**
Weighted average vesting period (years)	**4.0**	**2.5**	**4.0**	**4.0**

* *The weighted average expected volatility of all share options listed above is determined using historical daily share prices except for the MultiChoice 2008 and MIH Internet SEA Pte Ltd plans where historical annual company valuations are used.*

Various early exercise expectations were calculated based on historical exercise behaviours.

41. EQUITY COMPENSATION BENEFITS (continued)

Share trust incentive plan grants made during the year relating to the group's significant plans:

	31 March 2016			
	Naspers (SA rand)	Naspers RSU (SA rand)	MIH Holdings (SA rand)	MIH (Mauritius) (SA rand)
Weighted average fair value at measurement date	839.31	1 765	839.82	848.43
This weighted average fair value has been calculated using the Bermudan Binomial option pricing model, using the following inputs and assumptions:				
Weighted average share price	1 737.32	-	1 739.59	1 766.42
Weighted average exercise price	1 737.32	-	1 739.59	1 766.42
Weighted average expected volatility	38.1%	-	38.1%	37.6%
Weighted average option life (years)	10.00	2.0	10.00	10.00
Weighted average dividend yield (%)	0.3%	0.3%	0.3%	0.3%
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	8.4%	-	8.4%	8.5%
Weighted average annual suboptimal rate (%)	223.0%	-	223.0%	223.0%
Weighted average vesting period (years)	4.0	2.5	4.0	4.0

* *The weighted average expected volatility of all share options listed above is determined using historical daily share prices except for the MultiChoice 2008 and MIH Internet SEA Pte Ltd plans where historical annual company valuations are used.*

Various early exercise expectations were calculated based on historical exercise behaviours.

41. EQUITY COMPENSATION BENEFITS (continued)

Share appreciation rights plan grants made during the year relating to the group's significant plans:

	CEE Marketplaces (US$)	Showmax (US$)	MIH Internet SEA Private Limited (US$)	MultiChoice 2008 (SA rand)
31 March 2017				
Weighted average fair value at measurement date	**79.25**	**7.82**	**2.76**	**45.14**
This weighted average fair value has been calculated using the Bermudan Binomial option pricing model, using the following inputs and assumptions:				
Weighted average SAR price	**252.10**	**18.00**	**6.49**	**116.30**
Weighted average exercise price	**252.10**	**18.00**	**6.49**	**116.30**
Weighted average expected volatility (%)	**29.9%**	**43.9%**	**43.1%**	**21.8%**
Weighted average option life (years)	**10.0**	**10.0**	**10.0**	**10.0**
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	**1.4%**	**1.4%**	**1.4%**	**8.5%**
Weighted average annual suboptimal rate (%)	**100.0%**	**100.0%**	**100.0%**	**228.0%**
Weighted average vesting period (years)	**3.0**	**3.0**	**3.0**	**4.0**
31 March 2016				
Weighted average fair value at measurement date	92.28	9.16	2.94	46.65
This weighted average fair value has been calculated using the Bermudan Binomial option pricing model, using the following inputs and assumptions:				
Weighted average SAR price	249.30	18.00	5.61	113.19
Weighted average exercise price	249.30	18.00	5.61	113.19
Weighted average expected volatility (%)	34.5%	52.2%	54.4%	22.9%
Weighted average option life (years)	10.0	10.0	10.0	10.0
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	2.2%	2.2%	2.1%	8.5%
Weighted average annual suboptimal rate (%)	100.0%	100.0%	100.0%	153.3%
Weighted average vesting period (years)	3.0	3.0	3.0	4.0

Various early exercise expectations were calculated based on histroical exercise behaviours.

41. EQUITY COMPENSATION BENEFITS (continued)

Share appreciation rights plan grants made during the year relating to the group's significant plans:

	Naspers Global Classifieds (US$)	Naspers Global Ecommerce (US$)	Naspers Fintech BV (US$)
31 March 2017			
Weighted average fair value at measurement date	**1.93**	**6.23**	**12.57**
This weighted average fair value has been calculated using the Bermudan Binomial option pricing model, using the following inputs and assumptions:			
Weighted average SAR price	**6.15**	**20.45**	**40.92**
Weighted average exercise price	**6.15**	**20.45**	**40.92**
Weighted average expected volatility (%)	**29.8%**	**28.7%**	**28.2%**
Weighted average option life (years)	**10.0**	**10.0**	**10.0**
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	**1.5%**	**1.4%**	**1.8%**
Weighted average annual suboptimal rate (%)	**100.0%**	**100.0%**	**100.0%**
Weighted average vesting period (years)	**3.0**	**3.0**	**3.0**
31 March 2016			
Weighted average fair value at measurement date	1.35	6.00	11.76
This weighted average fair value has been calculated		-	
using the Bermudan Binomial option pricing model,		-	
using the following inputs and assumptions:	-	-	-
Weighted average SAR price	4.95	18.46	40.63
Weighted average exercise price	4.95	18.46	40.63
Weighted average expected volatility (%)	23.4%	29.3%	25.2%
Weighted average option life (years)	10.0	10.0	10.0
Weighted average risk-free interest rate (%) (based	-	-	-
on zero rate bond yield at perfect fit)	2.1%	2.2%	2.2%
Weighted average annual suboptimal rate (%)	100.0%	100.0%	100.0%
Weighted average vesting period (years)	3.0	3.0	3.0

NASPERS

Company annual financial statements
for the year ended 31 March 2017

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These company annual financial statements are presented in SA rand which is the company's functional and presentation currency.

Company statement of financial position

as at 31 March 2017

	Notes	31 March 2017 R'm	31 March 2016 R'm
ASSETS			
Non-current assets		**71 722**	72 226
Investments in subsidiaries	2	**6 530**	6 530
Loans to subsidiaries	3	**65 186**	65 688
Property, plant and equipment	4	**2**	2
Deferred taxation	6	**4**	6
Current assets		**2 846**	3 797
Current portion of loans to subsidiaries	3	**-**	451
Other receivables	7	**6**	5
Taxation receivable		**9**	21
Cash and cash equivalents	18	**2 831**	3 320
TOTAL ASSETS		**74 568**	76 023
EQUITY AND LIABILITIES			
Shareholders' equity		**74 513**	75 967
Share capital and premium	8	**65 653**	64 853
Other reserves		**1 308**	1 966
Retained earnings		**7 552**	9 148
Non-current liabilities		**3**	2
Post-employment medical liability	9	**3**	2
Current liabilities		**52**	54
Amounts owing in respect of investments acquired	10	**10**	10
Accrued expenses and other current liabilities	11	**27**	32
Dividends payable		**15**	12
TOTAL EQUITY AND LIABILITIES		**74 568**	76 023

The accompanying notes are an integral part of these company annual financial statements.

Company statement of comprehensive income

for the year ended 31 March 2017

	Notes	31 March 2017 R'm	31 March 2016 R'm
Revenue[1]	12	**66**	10 236
Selling, general and administration expenses	14	**(218)**	(194)
Other gains/(losses) - net	13	**-**	(434)
Operating (loss)/profit		**(152)**	9 608
Interest received	15	**204**	180
Other finance (costs)/income - net	15	**(3)**	38
Profit before taxation		**49**	9 826
Taxation	16	**(31)**	(1)
Profit for the year		**18**	9 825
Other comprehensive income		**-**	-
Total comprehensive income for the year		**18**	9 825

The accompanying notes are an integral part of these company annual financial statements.

[1] The company reclassified dividends and interest received from subsidiaries from "Other gains/(losses) - net" (R10.22bn) and "Interest received" (R14m), respectively, to revenue in the comparative period as these items reflect income earned in the ordinary course of the company's activities.

Company statement of changes in equity

for the year ended 31 March 2017

	Share capital and premium		Share-based compensation reserve	Valuation reserve	Retained earnings	Total
	A shares R'm	**N shares R'm**	**R'm**	**R'm**	**R'm**	**R'm**
Balance at 1 April 2015	14	28 444	663	1 296	1 298	31 715
Total comprehensive income for the year	-	-	-	-	9 825	9 825
Share capital issued	4	36 401	-	-	-	36 405
Treasury share movement	-	(10)	-	-	-	(10)
Share-based compensation reserve movement	-	-	7	-	-	7
Dividends	-	-	-	-	(1 975)	(1 975)
Balance at 31 March 2016	18	64 835	670	1 296	9 148	75 967
Balance at 1 April 2016	**18**	**64 835**	**670**	**1 296**	**9 148**	**75 967**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**18**	**18**
Share capital issued	**-**	**789**	**-**	**-**	**-**	**789**
Treasury share movement	**-**	**11**	**-**	**-**	**-**	**11**
Share-based compensation reserve movement	**-**	**-**	**6**	**-**	**-**	**6**
Transfers to non-distributable reserves	**-**	**-**	**(664)**	**-**	**664**	**-**
Dividends	**-**	**-**	**-**	**-**	**(2 278)**	**(2 278)**
Balance at 31 March 2017	**18**	**65 635**	**12**	**1 296**	**7 552**	**74 513**

The accompanying notes are an integral part of these company annual financial statements.

Company statement of cash flows

for the year ended 31 March 2017

	Notes	31 March 2017 R'm	31 March 2016 R'm
Cash flows from operating activities			
Cash utilised in operations	17	**(191)**	(188)
Finance income		**204**	180
Dividends received		**33**	208
Taxation paid		**(19)**	(24)
Net cash generated from operating activities		**27**	176
Cash flows from investing activities			
Preference dividends received		**-**	29
Loans repaid by/(advanced to) subsidiaries		**1 734**	(34 395)
Net cash generated from/(utilised in) investing activities		**1 734**	(34 366)
Cash flows from financing activities			
Proceeds from issue of share capital		**12**	35 423
Proceeds from share scheme treasury shares sold		**-**	31
Dividends paid		**(2 259)**	(1 953)
Net cash (utilised in)/generated from financing activities		**(2 247)**	33 501
Net decrease in cash and cash equivalents		**(486)**	(689)
Foreign exchange translation adjustments on cash and cash equivalents		**(3)**	11
Cash and cash equivalents at the beginning of the year		**3 320**	3 998
Cash and cash equivalents at the end of the year	18	**2 831**	3 320

The accompanying notes are an integral part of these company annual financial statements.

1. PRINCIPAL ACCOUNTING POLICIES

The annual financial statements of the company are presented in accordance with, and comply with, International Financial Reporting Standards (IFRS) and interpretations of those standards as issued by the International Accounting Standards Board (IASB) and effective at the time of preparing these financial statements, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act No 71 of 2008. The accounting policies of the company are the same as those of the group, where applicable (refer to note 2 of the consolidated annual financial statements).

Investments in subsidiaries are accounted for at cost less accumulated impairment losses in the company's separate annual financial statements. Cost is adjusted to reflect changes in consideration arising from contingent consideration arrangements and includes the directly attributable costs of acquiring investments.

Revenue comprises interest earned from loans granted to subsidiaries and dividends received from subsidiaries.

2. INVESTMENTS IN SUBSIDIARIES

The following information relates to Naspers Limited's direct interest in its significant subsidiaries:

Name of subsidiary	Functional currency	Effective percentage interest*		Direct investment in shares		Nature of business	Country of incorporation
		2017 %	2016 %	**2017 R'm**	2016 R'm		
Unlisted companies							
Media24 Holdings Proprietary Limited	SA rand	**85.0**	85.0	**1 078**	1 078	Investment holding	South Africa
Heemstede Beleggings Proprietary Limited	SA rand	**100.0**	100.0	**-**	-	Investment holding	South Africa
MIH Holdings Proprietary Limited	SA rand	**100.0**	100.0	**5 452**	5 452	Investment holding	South Africa
Naspers Properties Proprietary Limited	SA rand	**100.0**	100.0	**-**	-	Property holding and services	South Africa
Intelprop Proprietary Limited	SA rand	**100.0**	100.0	**-**	-	Investment holding	South Africa
				6 530	6 530		

* *The percentage interest shown is the effective financial interest, after adjusting for the interest of any equity compensation plans treated as treasury shares.*

3. LOANS TO SUBSIDIARIES

	31 March	
	2017	2016
	R'm	R'm
Media24 Holdings Proprietary Limited group	**451**	451
MIH Holdings Proprietary Limited group	**64 393**	65 361
Naspers Properties Proprietary Limited	**342**	327
	65 186	66 139
Less: Current portion	**-**	(451)
	65 186	65 688

The loans to subsidiary companies do not have any fixed repayment terms. All the loans to subsidiary companies at 31 March 2017 are interest free, except for R180.0m (2017: R180.0m) of the Naspers Properties Proprietary Limited loan account bearing interest at a rate of prime less 2% (2017: prime less 2%).

Loans to subsidiaries, which are interest-free, are seen as a long-term source of additional capital, and are seen as part of the interest in subsidiaries, which is carried at cost.

4. PROPERTY, PLANT AND EQUIPMENT

	31 March		
	Office equipment R'm	**Total 2017 R'm**	Total 2016 R'm
Cost			
Opening balance	**3**	**3**	3
Acquisitions	**1**	**1**	-
Closing balance	**4**	**4**	3
Accumulated depreciation			
Opening balance	**(1)**	**(1)**	(1)
Depreciation	**(1)**	**(1)**	-
Closing balance	**(2)**	**(2)**	(1)
Cost	**4**	**4**	3
Accumulated depreciation and impairment	**(2)**	**(2)**	(1)
Carrying value	**2**	**2**	2

5. RELATED PARTY TRANSACTIONS AND BALANCES

For details on related party loans, interest and dividends received refer to notes 3 and 12.

	31 March	
	2017 R'000	2016 R'000
Directors' emoluments		
Executive directors		
Paid by other companies in the group	**85 233**	69 441
Non-executive directors		
Fees for services as directors	**50 742**	46 091
Fees for services as directors of subsidiary companies	**11 365**	7 435
	147 340	122 967

Refer to note 17 of the consolidated annual financial statements for disclosure on executive and non-executive directors' remuneration.

6. DEFERRED TAXATION

	31 March	
	2017 R'm	2016 R'm
Deferred taxation assets		
Provisions and other current liabilities	**4**	6
Deferred taxation asset in statement of financial position	**4**	6

7. OTHER RECEIVABLES

Prepaid expenses	**2**	2
Related party receivables	**3**	3
Other	**1**	-
	6	5

8. SHARE CAPITAL AND PREMIUM

	31 March 2017 R'm	31 March 2016 R'm
Authorised		
1 250 000 A ordinary shares of R20 each	**25**	25
500 000 000 N ordinary shares of 2 cents each	**10**	10
	35	35
Issued		
907 128 A ordinary shares of R20 each (2016: 907 128)	**18**	18
438 265 253 N ordinary shares of 2 cents each (2016: 437 920 115)	**9**	9
Share capital	**27**	27
Share premium	**65 399**	64 610
Share capital and premium	**65 426**	64 637
Cumulative effect of treasury shares used in equity compensation plans(1)	**227**	216
	65 653	64 853

(1) Refers to the cumulative net effect on share premium of treasury shares held at cost and gains and losses arising on vesting of equity compensation awards.

	2017 Number of N shares	2016 Number of N shares
Movement in N ordinary shares in issue during the year		
Shares in issue at 1 April	**437 920 115**	419 203 470
Shares issued to raise funds	**-**	18 167 848
Shares issued to share incentive trusts and group companies	**345 138**	548 797
Shares in issue at 31 March	**438 265 253**	437 920 115
Movement in N ordinary shares held as treasury shares during the year		
Shares held as treasury shares at 1 April	**264 480**	384 220
Shares issued to the Naspers equity compensation plan	**5 000**	18 330
Shares acquired by participants from the Naspers equity compensation plan	**(43 566)**	(138 070)
Shares held as treasury shares at 31 March	**225 914**	264 480

	31 March 2017 R'm	31 March 2016 R'm
Share premium		
Balance at 1 April	**64 610**	28 210
Share premium on share issues	**789**	36 400
Balance at 31 March	**65 399**	64 610

8. SHARE CAPITAL AND PREMIUM (continued)

Voting and dividend rights

The A ordinary shareholders are entitled to 1 000 votes per share. In terms of the Naspers memorandum of incorporation, both N and A ordinary shareholders are entitled to nominal dividends, however, the dividends declared to A ordinary shareholders are equal to one-fifth of the dividends to which N ordinary shareholders are entitled. In respect of all other rights, the A ordinary shares rank pari passu with the N ordinary shares of the company.

Capital management, unissued shares and valuation reserve

Refer to notes 18 and 19 of the consolidated annual financial statements for the group's capital management policy and more details regarding the nature of the valuation reserve.

9. POST-EMPLOYMENT MEDICAL LIABILITY

The company operates a post-employment medical benefit scheme. The obligation of the company to pay medical aid contributions after retirement is no longer part of the conditions of employment for new employees. A number of pensioners, however, remain entitled to this benefit. The company provides for post-employment medical aid benefits on the accrual basis determined each year by an independent actuary.

	31 March	
	2017 **R'm**	2016 R'm
Balance at 1 April	**2**	2
Provisions charged to statement of comprehensive income	**1**	-
Balance at 31 March	**3**	2

10. AMOUNTS OWING IN RESPECT OF INVESTMENTS ACQUIRED

On 24 March 2004 the last conditions precedent relating to schemes of arrangement under section 311 of the old South African Companies Act, 1973, were satisfied, in terms of which Naspers Limited acquired an additional 19,62% financial interest in Electronic Media Network Proprietary Limited and SuperSport International Holdings Proprietary Limited respectively (which was sold to MultiChoice Africa Proprietary Limited during 2005). An amount of R816m was due to the non-controlling shareholders on 31 March 2004. Some of these non-controlling shareholders have not surrendered their share certificates and claimed payment for their shares, therefore an amount of R10m was still outstanding as at 31 March 2017 (2016: R10m).

11. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	31 March	
	2017 **R'm**	2016 R'm
Accrued expenses	**20**	24
Bonus accrual	**5**	4
Other current liabilities	**2**	4
	27	32

12. REVENUE

	31 March 2017 US$'m	31 March 2016 US$'m
Dividends received		
Media24 Holdings Proprietary Limited	**33**	208
MIH Holdings Proprietary Limited	**-**	10 000
Intelprop Proprietary Limited	**18**	14
Interest received		
Naspers Properties Proprietary Limited	**15**	14
	66	10 236

13. OTHER GAINS/(LOSSES) - NET

	31 March 2017 R'm	31 March 2016 R'm
Impairment losses		
Impairment of Welkom Yizani preference share investment	**-**	(434)
Total other gains/(losses)- net	**-**	(434)

14. EXPENSES BY NATURE

Selling, general and administrative expenses include the following items:

	31 March 2017 R'm	31 March 2016 R'm
Staff costs		
As at 31 March 2017, the company had 17 (2016: 14) permanent employees.		
The total cost of employment of all employees, was as follows:		
Salaries, wages and bonuses, retirement benefit costs, medical aid fund contributions, post-employment benefits, UIF, SDL and training costs	**23**	14
Share-based compensation expenses	**7**	8
Total staff costs	**30**	22
Fees paid to non-employees for administration, management and technical services	**28**	23
Auditor's remuneration		
Audit fees	**1**	1
	1	1

15. FINANCE COSTS/(INCOME) - NET

	31 March 2017 R'm	2016 R'm Restated
Interest received		
Loans and bank accounts	**203**	180
Other	**1**	-
	204	180
Net (loss)/gain from foreign exchange translation of derivative financial instruments		
On translation of assets and liabilities	**(3)**	(733)
On translation of forward exchange contracts	**-**	744
	(3)	11
Welkom Yizani preference dividends	**-**	27
Other finance income/(costs) - net	**(3)**	38
Finance income/(costs) - net	**201**	218

16. TAXATION

	2017 R'm	2016 R'm Restated
Normal taxation	**30**	3
current year	**30**	26
prior year overprovision	**-**	(23)
Deferred taxation	**1**	(2)
current year	**1**	(2)
Income tax expense per statement of comprehensive income	**31**	1
Reconciliation of taxation		
Taxation at statutory rate of 28% (2016: 28%)	**14**	2 751
Adjusted for:		
non-deductible expenses[1]	**32**	144
non-taxable income[1]	**(16)**	(2 869)
prior year adjustments	**-**	(23)
other taxes	**1**	(2)
Income tax expense per statement of comprehensive income	**31**	1

[1] Non-deductible expenses relate primarily to donations made and expenses incurred that are not in the production of taxable income. Non-taxable income relates to dividend income.

17. CASH UTILISED IN OPERATIONS

	31 March	
	2017	2016
	R'm	R'm
Profit before tax per statement of comprehensive income	**49**	9 826
Adjustments:		
Non-cash and other	**(252)**	(10 012)
Finance (income)/costs - net	**(216)**	(232)
Dividends received	**(51)**	(10 222)
Share-based compensation expenses	**7**	8
Impairment of investment	**-**	434
Other	**8**	-
Working capital	**12**	(2)
Cash movement in payables, provisions and accruals	**12**	(2)
Cash utilised in operations	**(191)**	(188)

18. CASH AND CASH EQUIVALENTS

Cash at bank and on hand	**428**	489
Short-term bank deposits	**2 403**	2 831
	2 831	3 320

19. FINANCIAL RISK MANAGEMENT

Foreign exchange risk

Refer to note 38 of the consolidated annual financial statements for the group's foreign exchange risks policy.

Foreign currency sensitivity analysis

The company's presentation currency is the South African rand, but as it operates internationally, it is exposed to the US dollar and the euro.

The sensitivity analysis below details the company's sensitivity to a 10% decrease (2016: 10% decrease) in the rand against the US dollar and the euro. These percentage decreases represent management's assessment of the possible changes in the foreign exchange rates at the respective year-ends. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period-end for the above percentage change in foreign currency rates.

A 10% decrease (2016: 10% decrease) of the rand against the US dollar and the euro would result in a increase in net profit after tax of R2.0m (2016: R2.5m increase in net profit after tax).

19. FINANCIAL RISK MANAGEMENT (continued)

Credit risk

Refer to note 38 of the consolidated annual financial statements for the group's credit risks.

The company has guaranteed various revolving credit facilities of R33.6bn (2016: R36.9bn) and offshore bonds of R38.9bn (2016: R42.9bn) in MIH B.V. of which the undrawn balance is available to fund future investments. The guarantees have also been disclosed as part of the company's liquidity risk below. The maximum potential exposure to credit risk under financial guarantee contracts amounts to R72.5bn (2016: R79.8bn). Refer to note 18 for details regarding the group's capital management policies.

Liquidity risk

Refer to note 38 of the consolidated annual financial statements for the group's liquidity risks. In terms of the memorandum of incorporation of the company, no limitation is placed on its borrowing capacity.

The following analysis details the remaining contractual maturity of the company's non-derivative financial liabilities. The analysis is based on the undiscounted cash flows of financial liabilities based on the earliest date at which the company can be required to settle the liabilities. The analysis includes both interest and principal cash flows.

	Carrying value R'm	Contractual cash flows R'm	0 - 12 months R'm
31 March 2017			
Non-derivative financial liabilities			
Amount owing in respect of investments acquired	**10**	**(10)**	**(10)**
Accrued expenses and other current liabilities	**22**	**(22)**	**(22)**
Dividends payable	**15**	**(15)**	**(15)**
Financial guarantees	**-**	**(72 493)**	**(72 493)**
31 March 2016			
Non-derivative financial liabilities			
Amount owing in respect of investments acquired	10	(10)	(10)
Accrued expenses and other current liabilities	28	(28)	(28)
Dividends payable	12	(12)	(12)
Financial guarantees	-	(79 751)	(79 751)

19. FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk

Refer to note 38 of the consolidated annual financial statements for the group's interest rate risks policy.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the statement of financial position date and the stipulated change taking place at the beginning of the next financial year and held constant throughout the reporting period in the case of instruments that have floating rates. The company is mainly exposed to interest rate fluctuations of the South African, American and European repo rates. The following changes in the repo rates represent management's assessment of the possible change in interest rates at the respective year-ends:

South African repo rate: increases by 100 basis points (2016: increases by 100 basis points)

American, European and London Interbank rates: increases by 100 basis points each (2016: increases by 100 basis points each).

If interest rates change as stipulated above and all other variables were held constant, specifically foreign exchange rates, the company's profit after tax for the year ended 31 March 2017 would increase by R21,6m (2016: increase by R25,5m).

20. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values, net gains or losses recognised in profit and loss, total interest income, total interest expense and impairment per class of financial instrument are as follows:

	31 March 2017		
	Carrying value R'm	Net gains/(losses) recog-nised in profit or loss R'm	Total interest/ finance income R'm
Assets			
Loans to subsidiaries	65 186	-	-
Other receivables	6	-	-
Cash and cash equivalents	2 831	(3)	203
Total	**68 023**	**(3)**	**203**
Liabilities			
Amounts owing in respect of investments acquired	10	-	-
Accrued expenses and other current liabilities	22	-	-
Dividends payable	15	-	-
Total	**47**	**-**	**-**

20. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The carrying values, net gains or losses recognised in profit or loss, total interest income, total interest expense and impairment of each class of financial instrument are as follows:

	31 March 2016		
	Carrying value R'm	Net gains recog-nised in profit or loss R'm	Total interest/ finance income R'm
Assets			
Loans to subsidiaries	66 139	-	14
Investments and loans	-	(434)	27
Other receivables	5	1 907	-
Cash and cash equivalents	3 320	11	180
Forward exchange contracts	-	744	-
Total	69 464	2 228	221
Liabilities			
Amounts owing in respect of investments acquired	10	-	-
Accrued expenses and other current liabilities	28	(2 651)	-
Dividends payable	12	-	-
Total	50	(2 651)	-

The carrying amounts of all financial instruments disclosed above, except loans to subsidiaries, are considered to be a reasonable approximation of their fair values. Loans to subsidiaries are carried at cost. Refer to note 3.

Refer to note 39 of the consolidated annual financial statements for details regarding the calculation of the fair values of financial instruments.

21. EQUITY COMPENSATION BENEFITS

Refer to note 41 of the consolidated annual financial statements for details regarding the Naspers Limited share incentive plan.

Administration and corporate information

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Analysis of shareholders and shareholders' diary

for the year ended 31 March 2017

ANALYSIS OF SHAREHOLDERS

Size of holdings	Number of shareholders	Number of shares owned
1 – 100 shares	51 868	1 861 101
101 – 1 000 shares	24 422	7 687 308
1 001 – 5 000 shares	3 316	7 115 271
5 001 – 10 000 shares	633	4 660 309
More than 10 000 shares	1 490	416 941 264

The following shareholders hold 5% and more of the N ordinary issued share capital of the company:

Name	% held	Number of N ordinary shares owned
Public Investment Corporation of South Africa	13.97%	61 210 487

PUBLIC SHAREHOLDER SPREAD

To the best knowledge of the directors, the spread of public shareholders in terms of paragraph 4.25 of the JSE Limited Listings Requirements at 31 March 2017 was 97.03%, represented by 81 718 shareholders holding 425 224 456 N ordinary shares in the company. The non-public shareholders of the company comprising 11 shareholders representing 13 040 797 N ordinary shares are analysed as follows:

Category	Number of N ordinary shares	% of N ordinary issued share capital
Naspers share-based incentive schemes	3 293 211	0.75%
Directors	6 315 260	1.44%
Group companies	3 432 326	0.78%

SHAREHOLDERS' DIARY

Annual general meeting	August
Reports	
Interim for half-year to September	November
Announcement of annual results	June
Annual financial statements	July
Dividend	
Declaration	August
Payment	September
Financial year-end	March

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