



NASPERS

Integrated annual report
for the year ended 31 March 2017

CONNECTING
PEOPLE
GLOBALLY



We are a global internet and entertainment group and one of the **largest technology investors in the world**

Operating in over 120 countries and markets with long-term growth potential, Naspers runs platforms that package content to create communities.

We connect people by distributing media products and conducting ecommerce. Our products and services play a developmental role in societies where we operate by employing people, improving quality of life and stimulating the economy.

For more than 100 years we have grown by investing in, acquiring and building leading companies with sustainable competitive advantages. We typically focus on large consumer trends where we try to identify changes early, adapt suitable business models for the high-growth markets on which we are focusing and leverage our position to build great businesses that have scale, are profitable and generate healthy cash flows.



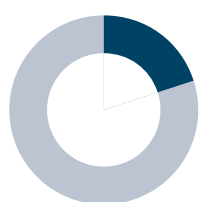
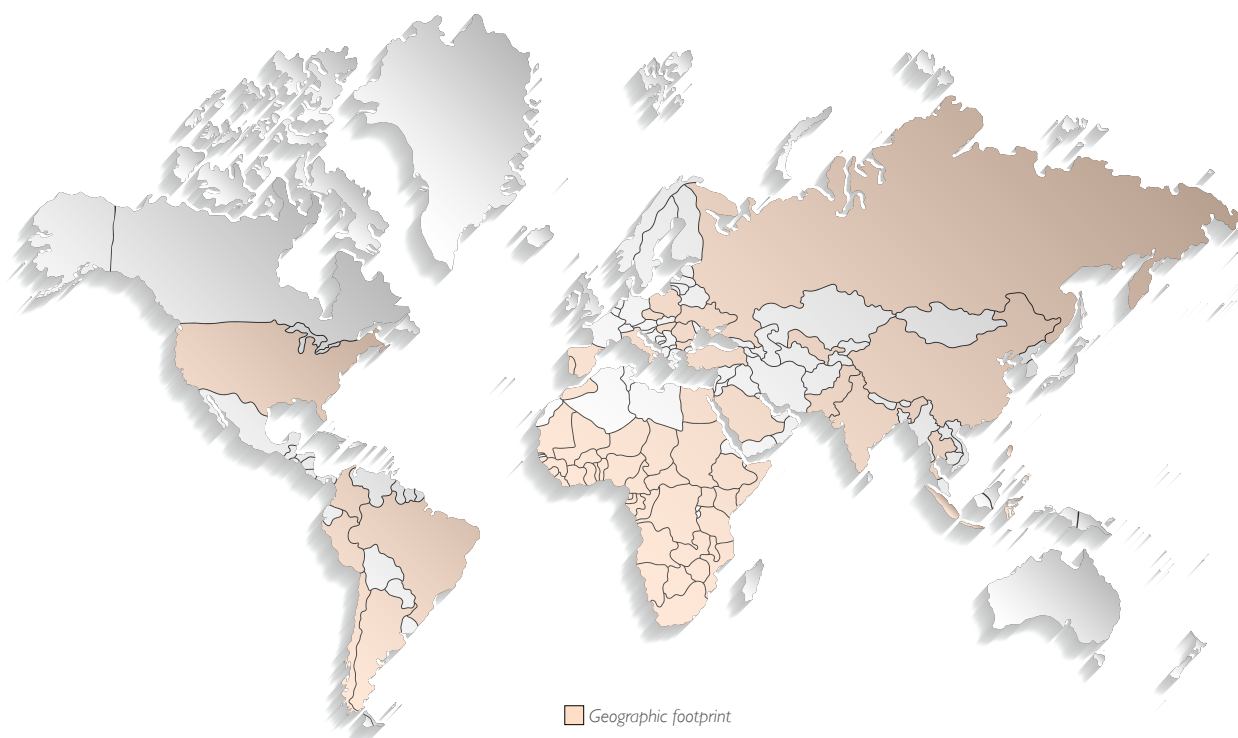
Links to further related information within this report and respective websites.



Click to view the corporate video.

Naspers: A diversified global, multinational company

A GLOBAL TECHNOLOGY OPERATOR



18% of people globally use products and services of companies that Naspers has built, acquired or invested in



73% revenue on an economic-interest basis derived from internet segment, 36% consolidated revenue



We employ nearly
25 000
people directly and tens of thousands indirectly as suppliers across the world

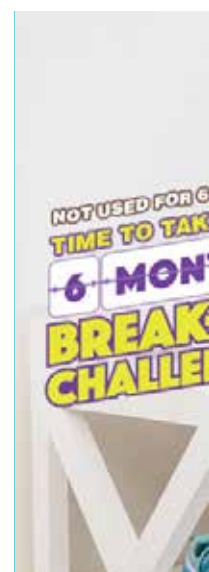


80% revenue on an economic-interest basis generated outside South Africa, 53% consolidated revenue



Five times dividends paid in taxes to governments

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Forward-looking statements

This report may contain forward-looking statements as defined in the United States Private Securities Litigation Reform Act of 1995. Words such as "believe", "anticipate", "intend", "seek", "will", "plan", "could", "may", "endeavour" and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. While these forward-looking statements represent our judgements and future expectations, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations. These include key factors that could adversely affect our businesses and financial performance. We are not under any obligation to (and expressly disclaim any such obligation to) update or alter our forward-looking statements whether as a result of new information, future events or otherwise. Investors are cautioned not to place undue reliance on any forward-looking statements contained herein.

● The Naspers group

↑ 29%⁽¹⁾
increase in **revenue on an economic-interest basis** to \$14.6bn

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Note

⁽¹⁾ Represents year-on-year growth in local currency excluding M&A.



● Review of our performance against our six types of capital

75m

users make use of OLX group's mobile apps monthly in **40 countries** around the world

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● Governance for a sustainable business

601 000

children involved in the Let's Play School Physical Education Challenge

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About this report

Scope of this report and assurance

The Naspers integrated annual report assesses our performance against six types of capital (detailed on page 5) for the year 1 April 2016 to 31 March 2017 for a full understanding of our group's performance. Understanding that integrated reporting is an evolving discipline, we have concentrated on incrementally improving our disclosure.

Naspers has its primary listing on the JSE Limited's stock exchange (JSE) (NPN.SJ) in South Africa, where it forms part of the Top 10 index and where most of its shares trade. It also has a level 1 American Depositary Receipt (ADR) programme listing on the London Stock Exchange (LSE) (NPSN) and trades on an over-the-counter (OTC) basis. International investors are therefore able to buy and sell Naspers securities either through the appropriate OTC market, on the LSE or JSE (details on page 112). Naspers's indirect wholly owned subsidiary, Myriad International Holdings B.V. (MIH BV), also has three bonds listed on the Irish Stock Exchange (ISE).

We monitor key metrics in managing our businesses, and engagement processes are in place to regulate the relationships with our key stakeholders. Their feedback is provided to leadership to ensure stakeholder views and concerns inform strategic decisionmaking.

Developing content

The integrated annual report was prepared against local and global standards, including:

- Guidelines of the Global Reporting Initiative (GRI G4).
- King III Report on Corporate Governance for South Africa, 2009 (King III), also taking into account guidelines contained in the King IV Report on Corporate Governance for South Africa, 2016 (King IV) with a view to reporting on King IV for the financial year 2018.
- South African Companies Act 71 of 2008, as amended (Companies Act).
- International Financial Reporting Standards (IFRS).
- Framework of the International Integrated Reporting Council (IIRC): this principles-based approach promotes the concept of the six capitals, which considers material inputs and resources required to create and sustain value in the long term.

We describe key components of the Naspers value chain (business model) that creates and sustains value for our stakeholders. In creating value, we consider the requirements of Companies Act regulation 43 (social and ethics committee), as well as King III, which are incorporated into the six types of capital.

This report includes the financial performance of Naspers and its subsidiaries, joint ventures and associates (the group). The scope of reporting on non-financial performance is indicated in this report. Some South African subsidiaries publish separate integrated reports (www.multichoice.co.za , www.media24.com  and www.novus.holdings .

Group reporting standards are continually being developed to make disclosure meaningful and measurable for stakeholders. Given the highly competitive environment in which the group operates, and the impact of currency volatility on our results, this report mostly excludes financial targets or forward-looking statements other than as explained on page 2.





Where relevant, we have adjusted amounts and percentages for the effects of foreign currency, and acquisitions and disposals. Such adjustments (pro forma financial information) are quoted in brackets after the equivalent metrics reported

under IFRS. Refer to page 42 of the summarised consolidated annual financial statements for a reconciliation of these metrics with the equivalent amounts reported under IFRS. 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.

We have used these icons throughout this report to indicate links between our strategy, material issues and the six capitals.

South African Companies Act

Social and ethics committee

Good corporate citizenship
Labour and employment
Social and economic development
Consumer relationships
Environmental, health and public safety

Integrated reporting framework

Our six types of capital

-  Financial
-  Human
-  Social and relationship
-  Products and services
-  Intellectual
-  Natural

Corporate governance

King III code

Ethical leadership and corporate citizenship
Board and directors*
Audit committees*
Governance of risk*
IT governance*
Compliance with laws, codes, rules and standards*
Governing stakeholder relationships
Internal audit*
Integrated reporting and disclosure

Note

* Dealt with in corporate governance report.



About this report (continued)

Assurance

Financial information extracted from the audited Naspers Limited consolidated annual financial statements for the year ended 31 March 2017 in this report was audited by PricewaterhouseCoopers Inc. (PwC) (refer to page 44 for the PwC report). PwC also performed specific procedures on the material non-financial information contained in this report. South African broad-based black economic empowerment (BBBEE) information was assured by EmpowerLogic (Naspers and MultiChoice), and AQRate Verification Services (Media24 and Novus Holdings).

While the group has a combined assurance model for internal use, we aim to have additional indicators of performance independently assured once common standards and systems have been entrenched.

Statement of the board of directors on the integrated annual report

After being reviewed by the audit committee and board, the board approved the integrated annual report. The summarised consolidated annual financial statements were prepared in accordance with IFRS and the Companies Act, while the integrated annual report was prepared using the guidelines of GRI G4, recommendations of King III and the IIRC framework. Where possible and in preparing for reporting in terms of King IV, some of the aspects of King IV have been taken into account in this report.

In our opinion, the integrated annual report and annual financial statements fairly reflect the financial position of the group at 31 March 2017 and its operations for this period.

On behalf of the board



Koos Bekker
Chair



Bob van Dijk
Chief executive

Cape Town
23 June 2017



The Naspers group

Strategic focus areas



What we do

In general

- We partner with founders/entrepreneurs to build growth businesses with scale, which then provides strong and defensible leadership positions (as well as healthy financials).
- We offer services that address something fundamental to customers as this makes them use these platforms regularly.
- We focus on growth markets, because this approach provides two sources of growth: the markets themselves, which are growing rapidly, and the business model reaching its full potential.

Optimise portfolio

INVEST

Investments in FY17



- Significantly increased scale and market positioning in India PSP market

US\$130m

New opportunities

FarmLogs

US\$11m



US\$13m

codecademy

US\$22m

udemy

US\$70m



US\$313m⁽¹⁾

Closed after year-end

Kreditech

US\$120m

Flipkart

US\$71m

go-mmt

US\$132m

takealot

US\$73m



US\$434m



US\$60m

⁽¹⁾ Total cumulative investment as at 31 March 2017.

Source: Company data.

What we look for



CONSOLIDATE

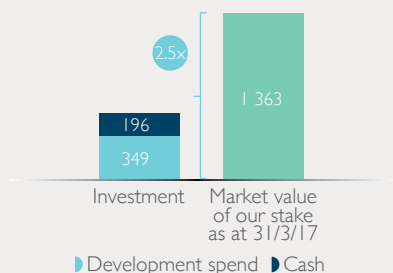
make **my** trip

+

ibibo Group
We Love Travel

- Increased operating scale
- Accelerated technology innovation
- Strengthened depth of management

Market value (US\$m)



EXIT

allegro

US\$3.214m

Netretail
holding

US\$102m

Other

US\$67m

Redeployed in FY17

US\$3.4bn

Closed after year-end

SOUQ e-commerce

US\$173m

MWEB

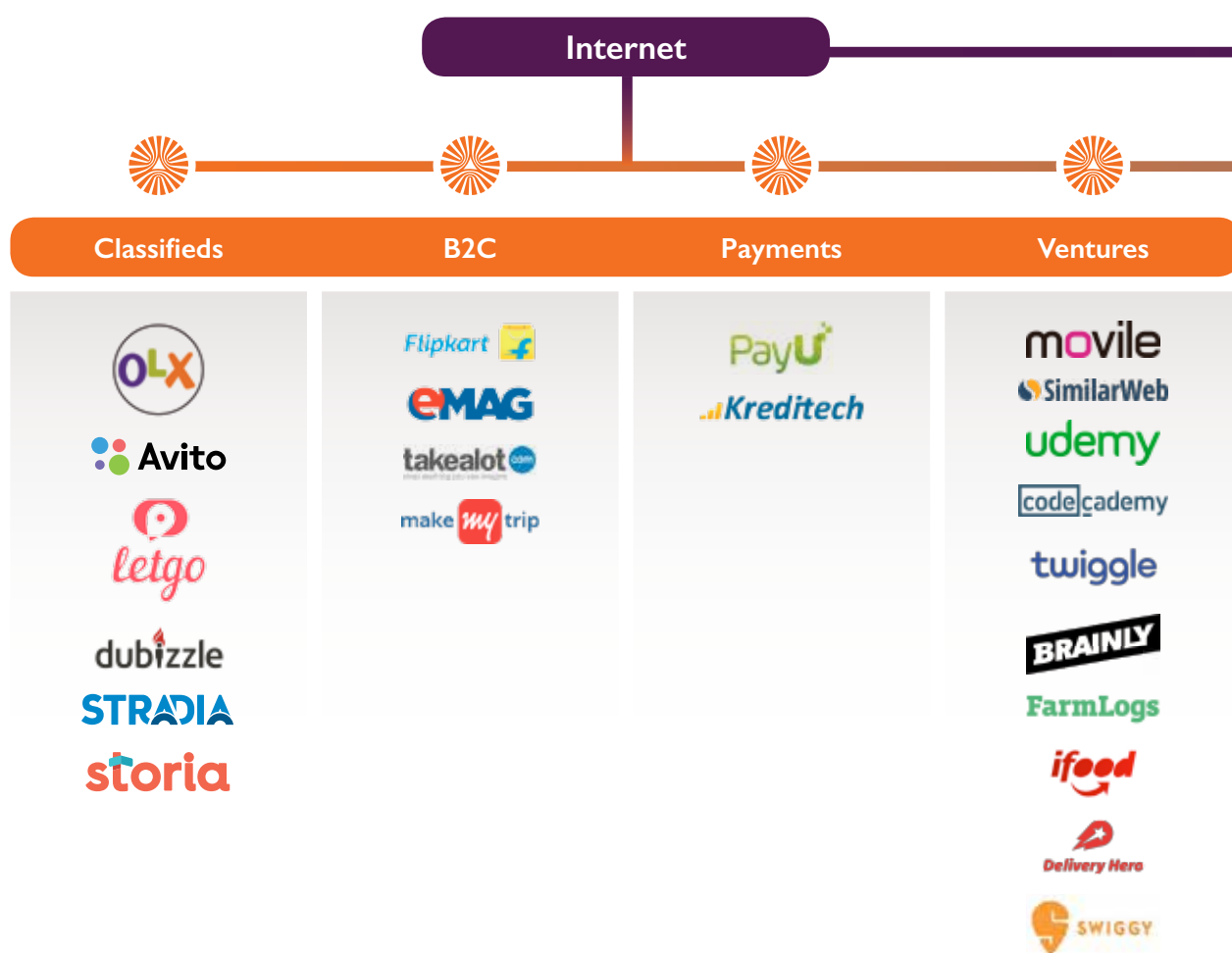
US\$10m

How we organise our portfolio

Our principal operations are in internet services, where we have listed assets, but predominantly focus on ecommerce (especially online classifieds, business-to-consumer (B2C) ecommerce, online payments and new ventures), video entertainment and media.

We are market leaders in many of the businesses and markets in which we operate.

Our most significant markets are Africa, China, Russia, Central and Eastern Europe, North America, Latin America, India, Southeast Asia and the Middle East.





We operate internet businesses across a variety of platforms and geographies. In online classifieds, where we run trading platforms in more than 40 countries, we own the OLX brand, as well as a majority stake in Avito, letgo and Dubizzle. PayU provides payment solutions in 16 countries. In B2C ecommerce we have investments in eMAG, Flipkart, Takealot and MakeMyTrip (MMYT), and in Naspers Ventures we look at new opportunities that have potential to become global businesses. Through Tencent and Mail.ru, we also have ownership interests in leading providers of internet entertainment and communication services in China and Russia respectively.

We are the market leader in African video-entertainment services with almost 12m subscribers in 50 countries across the continent. We offer digital satellite television, digital terrestrial television, on-demand online television and other video-entertainment services, and our well-known brands include MultiChoice, DStv, M-Net, SuperSport, GOtv and Showmax.

Our media segment comprises digital media and services, newspapers, magazines, ecommerce, book publishing, and print and distribution businesses in South Africa.

Video entertainment

Media



Listed

Tencent 腾讯



MEDIA24

novus holdings

spree

careers24

news24



Allocating capital

Whether we build or invest, our approach is to allocate capital in a disciplined way. We typically invest in new businesses early on, focusing on opportunities that have potential to scale globally. On good traction and sustained growth, we often 'double-down' on existing investments, helping them build scale and market leadership. Once a winning proposition, we go 'all-in', eg online classifieds, driving these businesses to profitability and cash generation.

We also have businesses that are mature, profitable and cash generative, such as MultiChoice South Africa. And then we are invested in a number of companies that are public, such as Tencent, Mail.ru and most recently, MakeMyTrip.



Investment criteria

During the course of a year, we look at numerous investment opportunities, but only conclude a few.

We have very specific criteria:

- We look for defensible business models that address big societal needs and have potential to scale globally.
- We partner with credible entrepreneurs who have vision and ambition.
- We are disciplined in our valuation approach using fundamental valuation techniques such as discounted cash flow analysis and focus on return on invested capital.
- A robust review process is in place whereby an investment committee, comprising senior executives, reviews proposed transactions. Board-approved authority levels are in place. Sizeable transactions go to the board for consideration and approval.

Group priorities for the year ahead

Position the portfolio for growth

- Focus investments on **leadership positions and scale**
- **Exit or restructure** underperforming assets
- Invest in **new opportunities** that can be transformative

Improve competitiveness of our business

- Continue to institutionalise **mobile-centric** approach
- Increased focus on **quality engineering and product**



Target high-growth opportunities

↑ 100%

Monthly unique listers



Mar 17 Sep 16



↑ 86%

Total payments value (US\$bn)⁽¹⁾



FY17 FY16



↑ 53%

Total gross merchandise value (US\$bn)⁽²⁾



FY17 FY16



↑ 65%

App monthly active users (m)



FY17 FY16



↑ 178%

Monthly order run-rate (m)



FY16* FY15*

*Company data as at 31 December 2016



FOOD DELIVERY

Notes

⁽¹⁾ Total payments value reflect PayU India, YoY organic growth, excluding Citrus, was 64%.

⁽²⁾ Gross merchandise value data reflects eMAG Romania.



Pursue scale



Key benefits

- Increased operating scale
- Accelerated technology innovation
- Potential value creation from synergies
- Strengthened depth of management



34.1m

Total transactions⁽¹⁾



9.7m

Air⁽¹⁾



6.6m

Hotel^{(1) (3)}



17.5m

Bus⁽¹⁾



45%

Mobile^{(1) (2)}

Notes

⁽¹⁾ Financials and KPIs for fiscal year ended 31 March 2016 and combined on a pro forma basis.

⁽²⁾ Includes air, hotel and bus transactions only.

⁽³⁾ Includes MMYT's international standalone hotel transactions.

Stakeholder engagement



HOW WE ENGAGE



EMPLOYEES

In person, newsletters, surveys, management briefings, conferences and intranet sites



SHAREHOLDERS AND INVESTORS

Communication and engagement through a dedicated investor relations unit



INDUSTRY

Participating in industry groups to develop shared practices



CUSTOMERS

Measure customer satisfaction using the net promoter score and interact with customers by using social media



REGULATORS

Engage with opinion formers and regulators to assist in developing policy

Engaging and building relationships with all our stakeholders is key to sustaining business. Our stakeholders are the individuals or organisations that affect and are affected by our activities, products or services.

Stakeholders' issues and response

Shareholders and investors

We focus on providing timely, transparent and relevant information to help the investing public understand our business, governance, financial performance and prospects in a competitive environment. We engage regularly with analysts and the media to build our brands and to address stakeholder perceptions, both as a for-project organisation and as a positive agent of change in a social and economic context. We disseminate information through a range of channels (including stock exchanges, press releases, our website, integrated annual report, interim report, provisional report and other corporate documents). This is reinforced by direct communication such as interviews, investor conference calls, group presentations and one-on-one meetings.

After releasing interim and full-year results, we conduct roadshows in South Africa, the United Kingdom and the United States of America. In the review period, we also attended a number of investor conferences in these regions and in Asia. In FY17, we had over 550 direct interactions with equity and debt investors, involving 15 of our executives, through a combination of meetings and teleconference calls.

Internet

Stakeholders	Key issues	Response
Customers 	• Making it simpler and faster to use our products and services. • Feedback on service-related issues. • Privacy of information.	Most of our internet businesses have adopted the net promoter score (NPS) metric to measure customer satisfaction. We focus on providing the best experience to all our customers, whether they are consumers, merchants or partners. On the merchant side, we are committed to working with upstream and downstream partners to provide quality solutions for their businesses. We also use customer satisfaction (CSAT) scores to measure the degree to which our products and services meet customers' expectations.
Regulators 	• Socio-economic growth. • Consumer protection and quality of service. • Developing a digital society. • Citizen and community focus. • Skills development and employment. • Taxation.	We engage with legislators through our public policy teams in each region to operate in an efficient and positive regulatory environment, and as part of our compliance activities. Our public policy team is based in Brussels and serves the Naspers group leadership by providing information, analysis and advice relating to politics and policy. It represents the group to governments where necessary, and also provides support to the group's operating companies to enable them to be more effective in the policy space. PayU holds licences in a number of the countries in which it operates, and cultivates strong and open relationships with its regulators in these markets. Group businesses belong to relevant industry bodies and associations to support the development of specific sectors.
Employees 	• Building skills to support future business growth. • Knowledge-sharing across the group. • Career development.	Our most important asset is our people. At heart we are entrepreneurs, so we push for performance, back local teams and learn from each other. We aim to be recognised for providing meaningful work, opportunities to learn and grow, and rewards for a job well done. In this culture, we believe our people will be motivated to achieve by taking personal responsibility for high performance. Group companies set and communicate targets that are translated into local and personal goals to ensure everyone understands the bigger picture. We encourage our teams to discuss performance to enable everyone to learn and grow, supported by ongoing education and training. We find new ways to listen and engage with our teams about making Naspers the best place to work.

Stakeholder engagement (continued)

Video entertainment

Stakeholders	Key issues	Response
Customers 	- To ensure that we provide offerings that are relevant and value for money. - To understand the needs and wants of customers.	The video-entertainment group has a number of points for customer engagement: the call centre, email, SMS and social media platforms (such as the DStv Forum, Twitter and Facebook). Customer insights from email research and field trial panels are used in product development. Investment in local content has deepened, with competitively priced productions that resonate with our audiences.
Industry and business partners 	To influence policy developments to ensure the long-term viability of the industry.	The video-entertainment group plays an active and constructive role in the broadcast industry in countries where it operates. In South Africa, as a member of the National Association of Broadcasters, it raises industry issues with the Department of Communications, the Regulator, the Independent Communications Authority of South Africa (Icasa), and the parliamentary portfolio committee on communications. It is represented on the information and communications technology (ICT) policy review panel assisting the minister to review legislation governing the sector. It participates in a number of industry workshops and policy-formulation processes, and regularly engages with suppliers and business partners to develop shared best practices.
Shareholders and investors 	- To build and continuously improve corporate governance processes to build on the trust placed in the group. - To keep stakeholders informed of our performance from a strategic, financial and social development perspective.	MultiChoice informs shareholders of developments through its integrated annual report, publishing provisional and interim reports in local newspapers and online, holding annual general meetings where shareholders can ask questions, and through up-to-date websites (www.multichoice.co.za  and www.phuthumanathi.co.za .
Regulators 	- To ensure that we value and uphold the rights of our consumers. - To ensure that we continue to deliver quality services to customers. - To facilitate socio-economic growth, skills development and employment. - To ensure compliance with licences held and industry regulations.	In South Africa we participate in regulatory processes initiated by Icasa to develop an environment conducive to the growth of the ICT sector. We also engage with opinion leaders and regulators to assist with policy development. The group is subject to regulation by the Broadcasting Complaints Commission of South Africa (BCCSA). We work closely with the BCCSA to ensure compliance as South Africa moves from an analogue to a digital environment. In the rest of Africa, MultiChoice holds licences in a number of the countries in which it operates, and promotes open relationships with its regulators in these markets.
Employees 	- To understand and respond to staff needs and concerns. - To provide strategic direction and clarity on how staff contributes to the bigger picture. - To allow for two-way communication to enable our employees to share ideas.	The video-entertainment group uses a number of platforms (from print to electronic and face-to-face engagements) to interact with employees and keep them informed. In South Africa the group also has a workplace forum to represent employees' interests and interacts with the company. The group communicates with local communities through its corporate citizenship activities.

Media24

Stakeholders	Key issues	Response
Customers 	- To gain a better understanding of our customers, their aspirations and needs. - To deliver relevant and useful products and services to our customers. - To improve our products and test ideas. - To promote our products, build our brands and encourage loyalty. - To ensure that we maintain high service levels.	Media24's divisions are active on social media platforms. Editorial teams use Facebook and Twitter to engage with audiences on topical issues, share and promote content from their latest digital and print offerings, and test new ideas. Business units conduct client satisfaction surveys with advertising agencies, readers and digital audiences through various channels, including customer service call centres and surveys to determine NPS ratings.
Shareholders 	- To keep shareholders informed of company developments and strategy implementation. - To build on Media24's profile as a responsible corporate citizen. - To retain and build on the trust placed in the company.	Media24 keeps shareholders informed of developments by posting its integrated annual report, publishing provisional and interim reports in local newspapers and online, holding annual general meetings where shareholders can ask questions, and through up-to-date websites (www.media24.com  and www.welkomyizani.co.za .
Industry 	- To build our strategic business partnerships. - To partner with business associations to promote common issues affecting the industry. - To learn from best practice and share information that will benefit the industry.	Media24 is an active member of local and international industry bodies. In South Africa these include: the Publishers Support Services (PSS), as well as engaging with organisations such as the Audit Bureau of Circulations of South Africa (ABC), Print Research Council (PRC), South African National Editors' Forum (Sanef), South African Publishers Association (Pasa), Media Development and Diversity Agency (MDDA), Association of Independent Publishers (AIP) and Advertising Standards Authority (ASA). Novus Holdings is a member of the Print Industries Federation of Southern Africa (Pifsa) and attends international industry events to remain abreast of developments.
Regulators 	To influence policy decisions for the benefit and long-term viability of the industry.	Print media is regulated by the press code and the ASA. Media24 abides by the codes and rulings of these regulatory bodies.
Employees 	- To be an employer of choice that provides a safe, positive and motivating working environment. - To foster a culture where employees live the corporate values and behaviours. - To understand and respond to staff needs and concerns. - To provide strategic direction and clarity on how staff contributes to the bigger picture. - To retain the best talent. - To provide leadership, training and development. - To allow for two-way communication to enable our employees to share ideas.	Media24 is an employer of choice, providing an inspiring work environment. Ongoing staff engagement includes management briefings and roadshows, weekly electronic newsletters, workshops, knowledge-sharing sessions on industry topics, an annual leadership conference and staff surveys. Workplace forums representing employees regularly interact with management. Media24 invests substantially in leadership training and development.

Integrated thinking

Balancing profit, people and our planet

Naspers runs platforms that package content to create communities. We connect people by distributing media products and conducting ecommerce. Our products and services play a developmental role in societies where we operate by employing people, improving quality of life and stimulating the economy.

Education is one of our most important contributions to Africa. We help to improve literacy levels through print and digital media, from newspapers and magazines to school books and digital ventures, including social networking.



Naspers is operated as a sustainable business, both in terms of the environment and long-term profitability. Our values demonstrate our commitment to progress along this journey. But Naspers is also a responsible corporate citizen, by giving back to its communities. Through numerous projects, we touch the lives of millions of people around the world.

Where relevant in this report, we have included performance against our various types of capital (from page 40), such as social and environmental projects, to illustrate our approach.

The value-added statement illustrates how the group distributes its earnings and how much it retains for reinvestment.

By harnessing our global infrastructure and ability to innovate and adapt in a changing world, we aim to address education, skills development and environmental sustainability. We hope to improve the living conditions of our employees, their families and the communities in which we operate, ultimately balancing profit, people and our planet. Our recent investment in Udeemy, a global online marketplace for learning and teaching, aligns our commercial strategy with our desire to address big societal needs.

Value-added statement

for the year ended 31 March

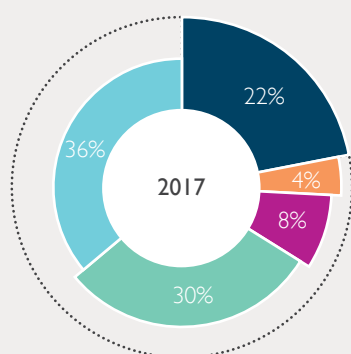
Value added is defined as the value created by the activities of a business and its employees and is calculated as revenue less the cost of generating that revenue. The value-added statement reports on the calculation of the value added and its application across stakeholder groupings. This statement shows the total wealth created and how it was distributed, taking into account the amounts retained and reinvested in the group.

	31 March 2017 US\$m	31 March 2016 US\$m	% change
Revenue	6 098	5 930	3
Cost of generating revenue	4 219	3 975	6
Value added	1 879	1 955	(4)
Income from investments	1 899	1 329	43
Wealth created	3 778	3 284	15
Wealth distribution:			
Employees			
Salaries, wages and benefits	1 149	1 015	13
Providers of capital			
Finance cost	278	292	(5)
Dividends paid	163	140	16
Governments			
Total tax paid	825	813	1
Reinvested in the group			
Depreciation and amortisation	339	278	22
Other capital items	(1 734)	(115)	(1 408)
Retained earnings	2 758	861	220
Wealth distributed	3 778	3 284	15

12% of total earnings distributed to **investors and finance providers**, who fund our growth, through dividends and interest payments.

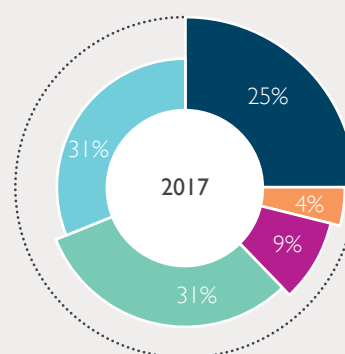
30% of wealth created goes to some **25 000 employees**. These jobs contribute materially to countries where we operate. The jobs we create also stimulate economic activity.

22% of wealth created paid in taxes and skills development levies to **local governments** is nearly **five times** what shareholders are paid in dividends.



Wealth distribution

- Tax paid to governments
- Shareholders' dividends
- Other providers of capital
- Employees
- Reinvested in the group



2017 at a glance

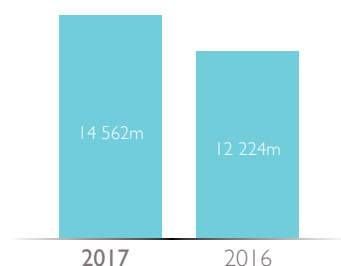
How we've performed
across our types of capital

Financial

Ecommerce revenue growth outpaced that of the video-entertainment segment. Internet revenues now represent 73% of group revenue on an economic-interest basis – up 6% on last year.

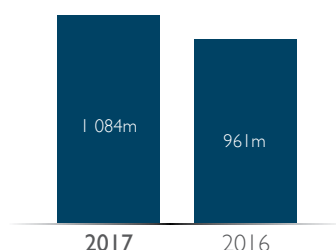
↑ 29%⁽¹⁾

Revenue (19% economic interest)
US\$14 562m



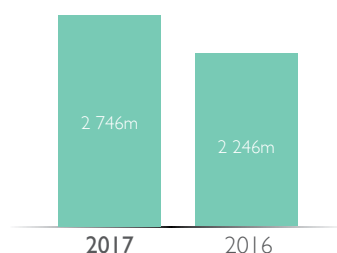
↑ 8%⁽¹⁾

Development spend (13% economic interest)
US\$1 084m



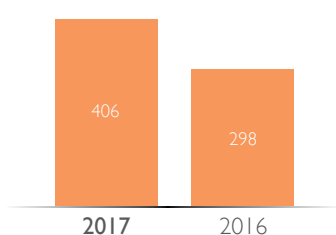
↑ 37%⁽¹⁾

Trading profit (22% economic interest)
US\$2 746m



↑ 36%

Core EPS*



Intellectual

- MultiChoice's set-top box, Explora 2: launched with improved compression technology.
- Ecommerce: ability to build strong global or regional leaders.
- Classifieds platform, letgo: allowing users to buy from, sell to and chat with others locally.

Free cash outflow:
US\$125m

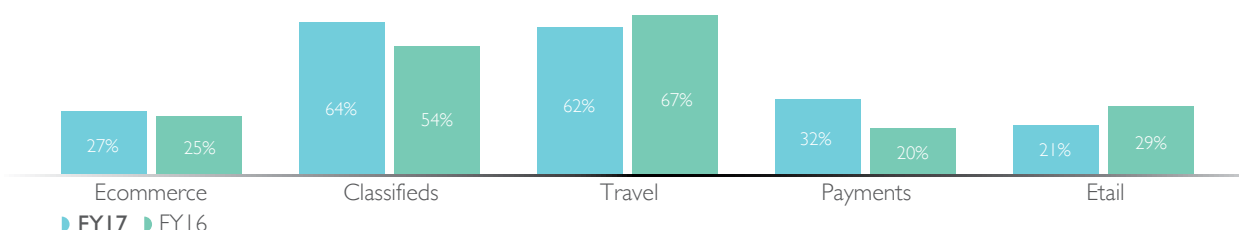
Dividend per share:
580 SA cents

Notes

⁽¹⁾ Represents year-on-year growth in local currency, excluding M&A.

* EPS = earnings per share.

Constant currency revenue growth type (economic-interest basis)





Natural

- MultiChoice City in South Africa is **Green Star-rated** by the Green Building Council of South Africa.
- **'Environment wins'** – the nature of OLX group's business: the environment wins as second-hand items are resold to be used again.
- Naspers and Irdeto's office building in the Netherlands was designed and constructed as a green building. This sustainable building meets the GreenCalc score B.
- eMAG installed recycling bins to raise employee awareness.



Products and services

18%

of people globally use products and services of companies that Naspers has built, acquired or invested in.

- 75m users make use of OLX group's mobile apps monthly on average.
- More than 1.3bn online users across more than 50 markets.
- Nearly 12m subscribing households across South Africa and over 50 countries in sub-Saharan Africa.

Media24

is South Africa's leading publisher, with over **40 magazines and 80 newspapers** reaching more than **13m** in monthly unique browsers and across its social media platforms.



Human

9 000

people received training – 36% of our 25 000-strong workforce.



Social and relationship

22%

of total wealth we create, supports local governments.

- Corporate citizenship initiatives across the group benefit more than 600 000 people.

Global presence

Operating in over **120** countries and markets with long-term growth potential, Naspers builds leading companies that empower people and enrich communities.

Internet



- go-mmt: 2.3m standalone hotel transactions quarterly
- eMAG 76 000 packages delivered monthly
- OLX group: 60m monthly listings

12 000
employees

US\$10.6bn
contribution to revenue

Video entertainment



- DSTV Explora customers downloading 1m titles per month
- DSTV Now users generate 4m play events per month

7 000
employees

US\$3.4bn
contribution to revenue

Media



- Launched first sub-Saharan African edition of Huffington Post, HuffPost South Africa
- Expanded mobile digital media product offering

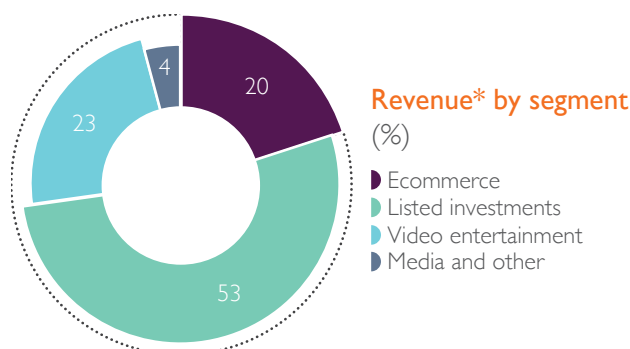
6 000

US\$0.6bn
contribution to revenue

Naspers is a truly international company

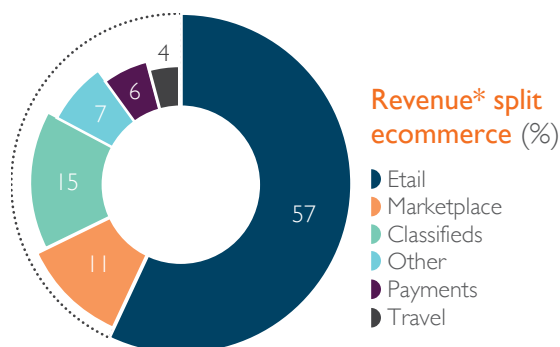
80%

of our revenue is now generated outside South Africa, on an economic-interest basis.



73%

of our revenue comes from our internet and ecommerce activities, on an economic-interest basis.



Note

*Measured on an economic-interest basis.

We believe in the power of local, backed by global scale

We continue to back new business models to fuel our growth. Increasingly, we look for opportunities to address big societal needs in markets where we see the greatest growth potential, including all major markets around the world. Where we see a company with promise, we move quickly to expand and scale.

We believe we are a useful global growth partner for founders, startups and other investors aspiring to make a difference and add value at all life stages

Our operating model is different – in our chosen markets, we create our own businesses or invest in early-stage companies, we take promising models and grow them quickly to scale, we evolve and grow companies already at scale, and we hold investments in listed companies with significant upside.

Business model

Creating value for all stakeholders

INPUTS (OUR CAPITALS)



Financial

Providers of capital
Investments



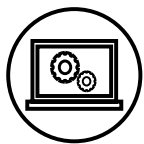
Human

Employees



Social and relationship

Stakeholders: engagement,
issues and feedback



Products and services

Ecommerce
Video entertainment
Media



Intellectual

Global platforms



Natural

Green buildings
Energy-saving initiatives



OUTCOMES (FOR OUR STAKEHOLDERS)



EMPLOYEES

9 000 people benefit from training – US\$17.4m investment or 1.5% of total payroll.



SHAREHOLDERS AND INVESTORS

Dividend per share: 580 SA cents. Naspers share price has grown hundredfold since listing in 1994.



INDUSTRY

Leverage our global scale to ensure industry development considers and benefits all stakeholders.



REGULATORS

Engage with opinion formers and regulators to assist in developing policy that supports vibrant industries and benefits stakeholders.

→ FINANCIAL IMPACT

US\$2 746m
trading profit

US\$1 084m
development
spend

406 US cents
core EPS

→ VALUE DISTRIBUTED

We contributed over
US\$825m
(or as much as 22% of the total wealth we created) to local governments where we operate

We offer some
25 000
people across the globe a meaningful and rewarding place to put their talent to work

→ SUSTAINABILITY IMPACT

Community initiatives

South Africa: Let's Play Schools Physical Education challenge: 650 schools and 601 000 learners competed.

eMAG's Aiming for the Olympiad benefits 3 200 children in Romania.

India: OLX connects with its communities through programmes such as voluntary blood-donation camps, winter clothing donation and a school bag drive for underprivileged children.

Supporting sustainability campaign

A number of initiatives are supporting our sustainability campaign. MultiChoice City, the group's newest building in Randburg, is our first building to be Green Star-rated.

How we manage risk

In pursuing strategic opportunities and navigating related challenges, our philosophy is that managing risk is all about accepting risk in an intelligent manner, within the parameters approved by the board. Doing this well creates a competitive advantage and, ultimately, drives stakeholder value. As for the system of internal control, we acknowledge that no risk management system nor the combined assurance provided on risk levels and controls, gives us absolute certainty that we fully understand all risks or avoid any failure. We have experienced failures in the past and will likely face some misses in the future.

We therefore promote a culture where risk management is not seen as a separate process, but integrated into every-day management and good governance. The responsibility for managing risk lies with the owner of risk: in most cases operational management, assisted by the finance function and, where considered useful in our businesses, specialised risk management and risk support functions.

Our risk acceptance process focuses on the potential impact of a risk, using our risk management framework, relative to our perceived vulnerability to this risk. Likelihood of occurrence and speed of risk consequences materialising are taken into account. For risks we are not prepared to accept, we take action to reduce our vulnerability – dependent on the risk in various ways and to various extents. Wherever we find risk outside acceptable levels, we consider ways to avoid the risk altogether, eg by entering into exit strategies.

Our risk management framework, system and processes draw on internationally recognised best business practice and frameworks. We promote effective spreading of knowledge and learnings on issues and good management practice between businesses within the group.

The board is kept updated on key risks and any developments thereon and ensures that adequate levels of assurance are provided on the residual level of significant risks versus their set tolerance levels through a combination of internal sources and independent assurance providers, including internal and external auditors.

Considering our key risks, these may impact in some way on our ability to effectively and efficiently transform the capitals that we use into value for our stakeholders:

- Legislation and regulation
- Global market and political developments
- Currency fluctuations and repatriation of cash
- Funding

- Loss of key individuals

- Risks of fraud and corruption and unethical business conduct

- Competition and technological innovations
- Technical failures and information (cyber) security

- Inefficient use of resources and avoidable waste



Financial



Human



Social and relationship



Products and services



Intellectual



Natural

For a detailed review of Naspers's material issues and how we manage these, refer to www.naspers.com.

Our operating environment

As a global group, Naspers is exposed to global factors. While this raises a spectrum of risks, equally it presents significant opportunities.

Snapshot of our key regions

Country	Forecast growth (%)		
	2016	2017	2018
US	1.6	2.3	2.5
Europe	1.7	1.6	1.6
Emerging and developing Europe	2.9	3.1	3.2
Emerging markets	4.1	4.5	4.8
China	6.7	6.5	6.0
India	6.6	7.2	7.7
Russia	-0.6	1.1	1.2
Brazil	-3.5	0.2	1.5
South Africa	0.3	0.8	1.6
Sub-Saharan Africa	1.6	2.8	3.7

Source: International Monetary Fund.

Our operating environment (continued)

Global growth in 2016, projected to remain modest at some 3%, was the weakest since the 2008 and 2009 economic crisis. Economic activity is projected to pick up in 2017 and 2018 to 3.4% and 3.6% respectively, driven almost entirely by emerging-market and development economies. This reflects the increasing weight in the world economy of large emerging-market economies, such as China and India, which are growing well above the world average. The pace of economic activity in advanced economies is projected to remain subdued in line with their diminished potential as populations age.

Across the world, regulatory activity continues to increase as governments and

regulators attempt to keep up with changes caused by innovation and disruption. The outcome of US elections, the vote for Brexit and a series of elections in Europe complicate analysis and add uncertainty.

Regulations and regulatory change potentially have the largest impact on our African video-entertainment businesses, but we expect increased regulation to affect our other businesses as well.

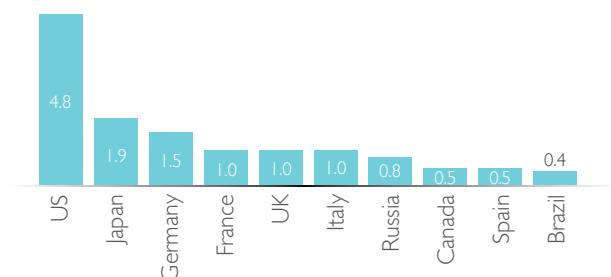
Technology trends

Technology is an essential part of our lives today, providing more freedom and choices. The **pace of developing and adopting new technology is accelerating.**

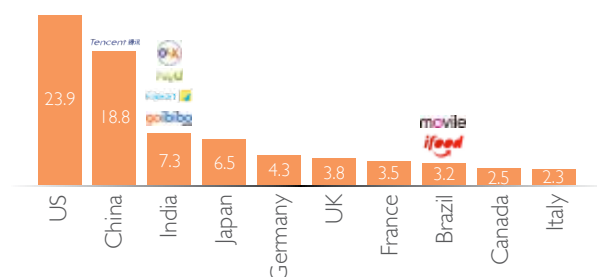
The time for innovations to reach most of the population in developed countries is getting shorter; penetration curves steeper and there are many more innovations in any given period.

The **impact of technology** on society as a whole has been **mostly positive**. Research shows that the use of technology has boosted incomes by 30% to 50%, across countries and income groups, especially in growth markets. China and India, in particular, have reaped significant returns in recent years, catapulting them into the rankings of the **largest global economies**.

Projected real GDP (US\$ trillion) 1970



Projected real GDP (US\$ trillion) 2030



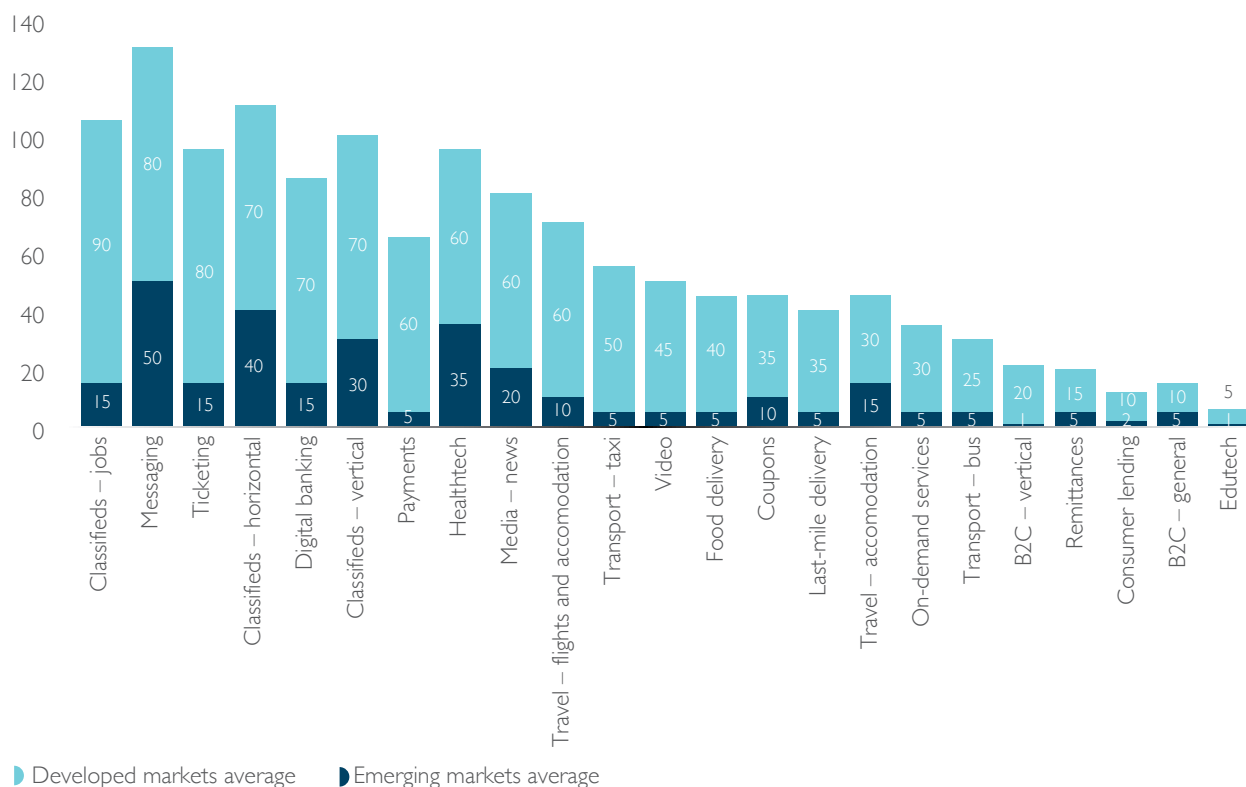
Source: US Department of Agriculture.

Through technology, customer experiences have become increasingly important. Companies now have to consider how products and services enhance lifestyles and workflows. It is clear that mobile is the future of the internet. Just a decade ago no one had a smartphone – now there are 2.5bn smartphone users globally. With mobile use steadily overtaking PC use, the world is heading towards the 5bn smartphone-user mark.

It is evident that the new mobile platform will be the basis for transforming many products, services and industries. Most **industries are still in the early stages of disruption** (particularly in our markets) and increasingly new industries (eg agriculture/food, health, education and finance) are now being targeted. With an accelerating mobile distribution platform into global consumer markets, exploding data availability and the presence of modular building blocks (open-source

software code, application program interfaces (APIs), scalable cloud-computing infrastructure, and more), it has never been easier to launch a business quickly.

Online penetration (% , 2016)



Note

Typically emerging markets at lower end of the range, with the exception of ticketing (eg movies), Classifieds – Vertical (eg cars), Healthtech and Media – Video.
 Source: Businesswire, Chicago Tribune, eMarketer, Internetretailer, McK, BCG, Netscribes, Millennial, CSF's EdTech, Holland Fintech, yourstory, A.T. Kearney, BI, Euromonitor, CBI, Telegraph, Reuters, globalwebindex, Nielsen, Deloitte, Redshift, eyefortravel, IJBM, Certify, rideshareapps, Inc42, ETOA, PEW, BBC, Technode, iResearch, ANI.

We aim to maintain a high-growth profile by honing in on opportunities presented by (1) technology disruption in various industries in combination with (2) the economic catch-up effect in high-growth markets.

The **next wave of technological innovations**, specifically machine learning (ML) and artificial intelligence (AI), is upon us. AI introduces the ability to perform complex tasks that only people could once do, but at a scale

that people would never be able to. It is the new battlefield with data as the new 'oil'. AI is quickly developing into a critical enabling technology that will run like a thread through most developments.

Chair and chief executive's report



Our integrated annual report for the year to 31 March 2017 reflects another solid performance against a volatile macroeconomic backdrop.

“While our international internet ventures scaled pretty well, our African video-entertainment business bore the brunt of falling currencies.”

Koos Bekker
Chair

Overview

Naspers continues to generate long-term value for shareholders and other stakeholders alike. Around the world, our stakeholders benefit from our contributions to local economies, responsible citizenship initiatives and shareholdings in Naspers or its subsidiaries. For example, through the eMAG Foundation and Let's Play projects alone, we reach in excess of 600 000 young people in Europe and South Africa.

Group performance

Naspers delivered a solid performance in the review period, despite economic volatility in several of our operating regions. Our focus in recent years on mitigating risk by diversifying geographically and by segment is paying off, for example: over 80% of our revenue is now sourced internationally, on an economic-interest basis. We have also expanded our revenue base, with 73% of group revenues attributable to internet operations.



“Our teams have made meaningful progress in building the global customer propositions of the future.”

Bob van Dijk
Chief executive

Core headline earnings, which we consider a reliable indicator of sustainable earnings, grew 41% to US\$1.75bn. Consolidated development spend was up 22% to US\$861m.

Taking a ten-year view, we have grown segment revenues at a compound annual rate of around 19%, and trading profits at 17%. Since listing in 1994, our market capitalisation has grown from US\$622m (R2.3bn) to US\$74.4bn (R1.0 trillion) at year-end.

We summarise segmental performance to give readers an understanding of the components of our group, with detailed operational reviews from page 63:

Internet (includes our ecommerce activities and listed internet investments): Strong growth from Tencent and our ecommerce businesses produced revenues of US\$10.6bn, up 29% (41%) year on year. Trading profit was 52% (65%) higher at US\$2.5bn. Notably, Naspers now has one of the largest mobile audiences in the world and over 20 profitable businesses in our ecommerce segment.

Video entertainment: Revenues of US\$3.4bn were down marginally year on year, despite the protracted weakness of currencies in our main markets. A value strategy saw the total customer base rise by 1.5m to 11.9m

households at year-end, compared to growth of only 185 000 in the prior year. Our focus remains on expanding the subscriber base, reducing costs by monitoring content performance as well as rightsizing the business and its operational activities.

Media: Sectoral and macroeconomic headwinds continued to depress Media24's topline growth, with revenues down 3% (1%) to US\$588m, while trading profit dropped 34% (34%) to US\$19m. New digital and ecommerce initiatives delivered satisfactory topline growth of 14% (16%).

Chair and chief executive's report

(continued)

Areas of growth

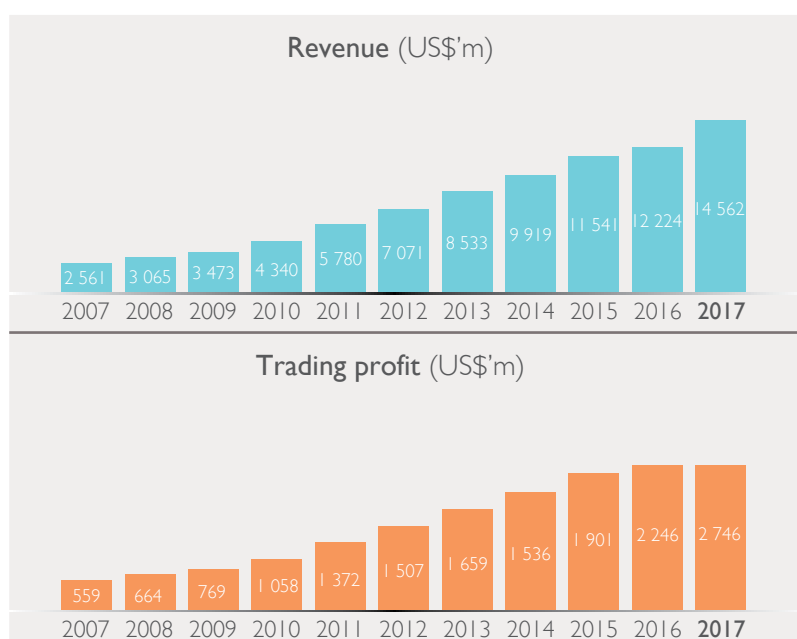
In line with our focus on capital allocation and returns, we disposed of Allegro and Ceneo (marketplaces), Netretail (online retail and ecommerce) and Heureka (online comparison shopping). We also merged our Indian online travel business, ibibo, with MakeMyTrip, retaining a 40% (fully diluted) interest in the merged business. The acquisition and integration of Citrus Pay consolidated PayU's position in

India and will allow it to increase its vertical market leadership in the airline and telecoms industries. More recently, we strengthened our online food-delivery portfolio by investing in Delivery Hero, the largest online food-delivery company (by orders) globally.

Our consolidated development spend was US\$861m, up 22% (13%) on the prior year. Almost half was focused

on accelerating the growth of letgo (classifieds), video entertainment and our online travel business in India.

Through Naspers Ventures, we are looking for the group's next phase of growth. We invested US\$130m during the year in technology segments that meet our criteria, including education (Codecademy, Brainly and Udemy) and agriculture (FarmLogs). These are detailed on pages 58 and 66.



Notes

All numbers on an economic-interest basis.

Information presented above for periods before the 2014 financial year has been translated to US dollar using the average exchange rates prevailing over the relevant financial year.

Global trends and impacts

Naspers operates in a world where the needs, values and aspirations of the so-called millennial generation have redefined the norm. As the pace of adopting new technologies accelerates, so does the importance of innovation. Innovation is no longer a 'nice to have'.

Mobile is undoubtedly the present of the internet. It is already the primary platform to transform many products, services and industries. We focus on mobile-first products and technology relevant to our markets and businesses.

The next wave of technological innovation will be shaped by machine learning and artificial intelligence, enabling technologies that will permeate every development.

Please refer to page 28 for a more detailed discussion on global trends and their impacts.



Increased focus on people and skills

As technology drives changes in our operating environment, we need to adapt in many ways. One is through the strength of our balance sheet to fund the required investment and the skills of our people for the innovation that will keep us ahead.

We especially focus on attracting talent – especially in the fields of ecommerce, technology and engineering – and creating a meaningful place to work. During the year, 9 000 people benefited from training at all levels, with some 1.5% of total payroll committed to training and development.

Equally, performance dictates how we reward our people and our aim is to balance cost, competitiveness and incentive.

At executive level, short-term incentives are linked to financial and operational performance, including non-financial indicators. To align executive interests with those of our shareholders, long-term incentives are based on share options and appreciation rights schemes that reward value creation above and beyond present share values. Please refer to the section on our people (page 73) and the remuneration report (page 93) for more details.

Governance

As a multinational group, our risks differ by jurisdiction (refer to risk management section, page 26). The board conducts the group's business with integrity, applying appropriate corporate governance policies. Independently managed subsidiaries apply suitable governance practices, including via their board committees. A disciplined reporting structure to the Naspers board apply, and the group has a legal compliance programme, detailed in the full governance report  Strategies and business plans for financial and non-financial elements of operations are regularly reviewed.

Compliance with the Listings Requirements of the JSE Limited (JSE), London Stock Exchange (LSE) and Irish Stock Exchange (ISE) is monitored by the audit and risk committees of the board.

We continually evaluate areas where governance can be improved. This is detailed in our application of King III in the governance frameworks of Naspers, MultiChoice and Media24 in the full governance report .



Chair and chief executive's report

(continued)

Board changes

Guijin Liu and Hendrik du Toit were appointed independent non-executive directors in the prior reporting period. Both have made useful contributions to our board deliberations during their first year.

On 21 April 2017, after year-end, Emilie Choi was appointed an independent non-executive director. Emilie is an experienced consumer internet, media, and mergers and acquisitions executive. Her curriculum vitae is on page 37.

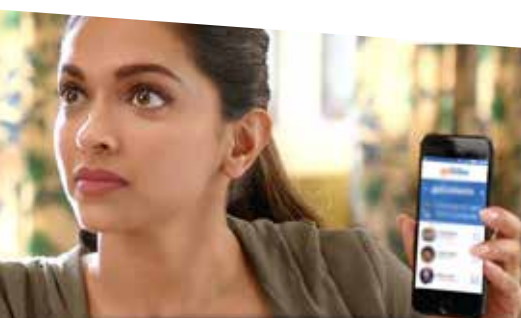
In terms of our memorandum of incorporation, one third of non-executive directors retire annually and reappointment is not automatic. Koos Bekker, Rachel Jafta, Steve Pacak, Fred Phaswana and Ben van der Ross retire by rotation at the annual general meeting and, being eligible, offer themselves for re-election. At the annual general meeting, shareholders will be asked to confirm Emilie's appointment and to consider the re-election of these directors (see notice on page 114).

Members of the audit committee are Don Eriksson, Ben van der Ross and Rachel Jafta. The board recommends shareholders reappoint them as audit committee members.

In compliance with the Companies Act, shareholders will be asked to consider these proposals at the annual general meeting. Directors' curricula vitae are available on the corporate website .

Our board members provided valuable guidance and scrutiny during the year. We appreciate the leadership of our top executives under Bob van Dijk and the contributions of our many dedicated people worldwide. Also the support of our valued partners, suppliers and government bodies in numerous countries.





Can you guess?
Which Goibibo feature is Deepika showing here?



Managing sustainability

Naspers invests in creating useful products and services for customers that, in time, will generate a sustainable return to investors and benefit our stakeholders. We are equally mindful of our obligations as a responsible corporate citizen to respect the natural environment and limit our impact as much as possible.

In addition to a structured approach to our sustainability strategy, detailed on page 72, our governance model and ethical principles are communicated throughout the group.

In our social interactions, we focus on challenges such as education, skills development and environmental sustainability. Our aim is to improve the living conditions of our employees, their families and the communities in which we operate, ultimately balancing profit, people and our planet.

Dividend

The board recommends that the annual gross dividend be increased by 12% to 580 SA cents (previously 520 SA cents) per listed N ordinary share, and 116 SA cents (previously 104 SA cents) per unlisted A ordinary share.

Outlook

Naspers faces fiercer competition from massive US technology operators as we grow our internet and video-entertainment businesses.

Foreign exchange movements have hurt the video-entertainment segment as customers around Africa pay subscriptions in local currencies, while many costs are charged in US dollars. Slowing economic growth in South Africa and tougher international competition all will play a part in the group's financial performance. Naspers will respond through continued innovation and transforming existing

businesses while investing in ventures with the potential to fuel the next wave of growth.

We will further scale our ecommerce businesses to drive profitability and cash generation. The focus for our more mature sectors – media and video entertainment – will be on managing macroeconomic and sectoral headwinds through ongoing cost containment so as to ensure sustained profitability.


Koos Bekker
Chair


Bob van Dijk
Chief executive

23 June 2017

Our board

● Executive
 ● Non-executive
 ● Independent non-executive

Koos Bekker

Chair

Koos (64) led the founding team of the M-Net/MultiChoice pay-television business in 1985.

(E) (H) (N)



Bob van Dijk

Chief executive

Bob (44) was appointed chief executive in April 2014, bringing extensive ecommerce expertise to the group.

(E) (R) (S)



Fred Phaswana

Lead director

Fred (73) is the retired chair of the Standard Bank Group.

(E) (H) (N)



Basil Sgourdos

Group chief financial officer

Basil (47) was appointed to this role in July 2014 and has been with the group for 22 years in related positions.

(E) (R) (S)



Rachel Jafta

Rachel (56) is a professor of economics at Stellenbosch University.

(A) (R) (H) (N) (S)



Mark Sorour

Group chief investment officer

Mark (55) was appointed to this position in January 2015, and has extensive experience in investment activities.



Debra Meyer

Debra (50) is executive dean of the faculty of science at the University of Johannesburg.

(S)



Don Eriksson

Don Eriksson (72) is a chartered accountant (SA) and honorary life member of the Institute of Directors of Southern Africa (IoDSA).

(A) (R) (S)



For detailed biographies of the board go to www.naspers.com

The group uses independent external advisers to monitor regulatory developments, locally and internationally, to enable management to make recommendations to the Naspers board on matters of corporate governance.

Ben van der Ross

Ben (69) is an admitted attorney. He serves on the boards of several listed companies.



Emilie Choi⁽¹⁾

Emilie (38) has an extensive track record in the internet and entertainment industry. She is LinkedIn's vice president of corporate development.



Cobus Stofberg

Cobus (66) was a founder member of M-Net in 1986, and chief executive of the MIH group from 1997 to 2011.



Craig Enenstein

Craig (48) is CEO of Corridor Capital, an operationally intensive private equity firm.



Steve Pacak

Steve (62) is a chartered accountant (SA), who began his career with Naspers at M-Net in 1998.



Hendrik du Toit

Hendrik (55) is CEO of Investec Asset Management and a director of Investec plc and Investec Limited.



Guijin Liu

Guijin (71) graduated from Beijing University of Foreign Studies in 1971. He is experienced in international affairs between China and the developing world.



Roberto Oliveira de Lima

Roberto (66) from Brazil is a board member of Telefônica Brasil.



Nolo Letele

Nolo (67) joined M-Net in 1990 and pioneered MultiChoice's expansion outside South Africa.



Note

⁽¹⁾Appointed 21 April 2017.



Audit committee



Risk committee



Human resources and remuneration committee



Nomination committee



Social and ethics committee



Executive committee

Our board (continued)

Attendance at board meetings

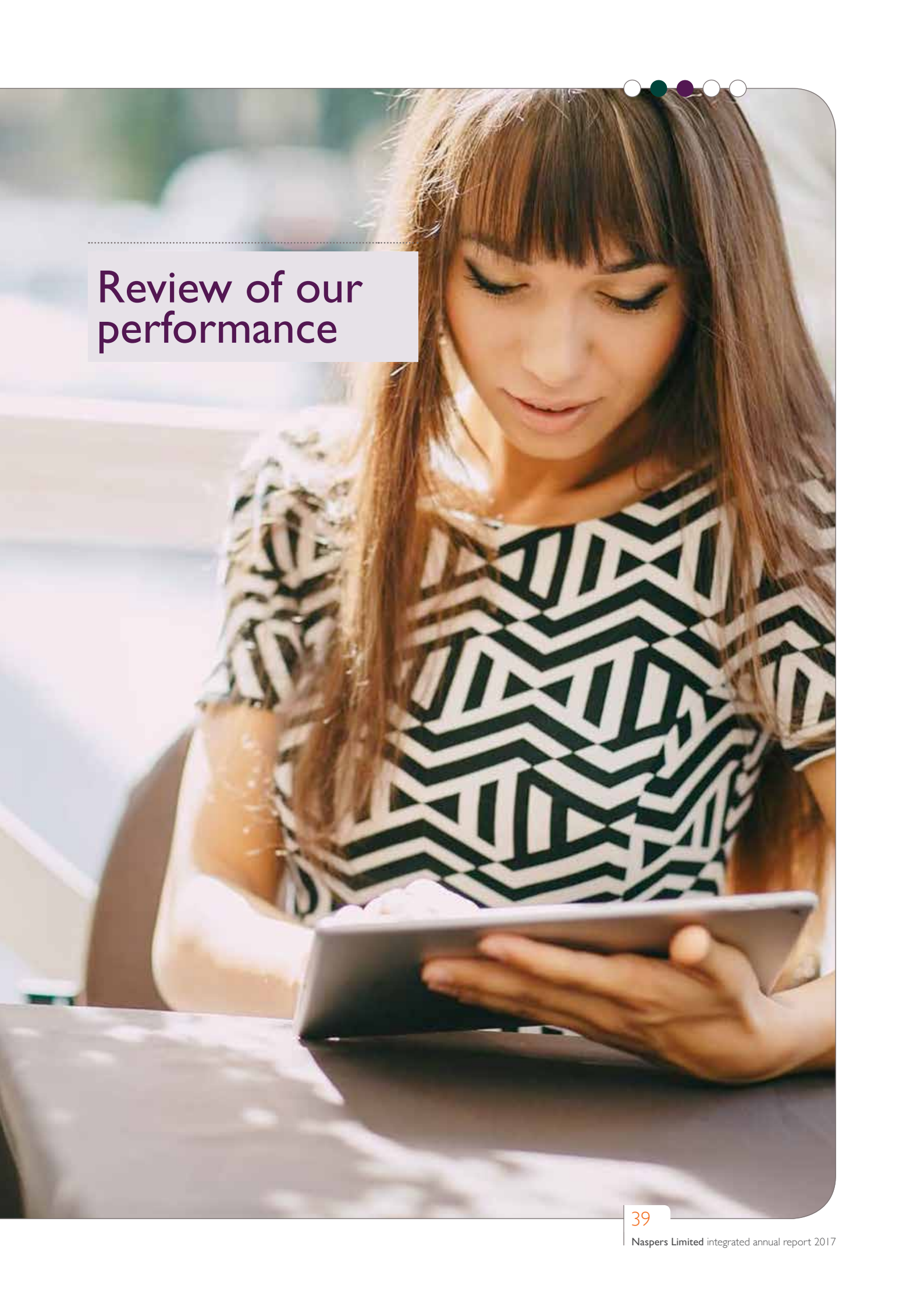
	Date first appointed in current position	Date last appointed	Six board meetings were held during the year. Attendance:	Category
J P Bekker ⁽³⁾	17 April 2015	28 August 2015	6	Non-executive
E M Choi ⁽¹⁾	21 April 2017	21 April 2017	Not applicable	Independent non-executive
H J du Toit	1 April 2016	1 April 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.



Review of our performance

Review of our performance

against our six types of capital



Financial review

On the back of Tencent's and ecommerce's contributions, group revenue, measured on an economic-interest basis, grew 19% to US\$14.6bn (or 29% measured in local currency and adjusted for acquisitions and disposals). Consolidated revenue (thus excluding equity-accounted companies) increased 3% (13%), mainly due to strong performances by the ecommerce businesses that grew 11% (32%). Significant disposals during the year, notably the Allegro business in Poland and 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. The 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 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.

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 had a net cash balance 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.

Dividend

The board recommends that the annual gross dividend be increased by 12% to 580 SA cents (previously 520 SA cents) per listed N ordinary share, and 116 SA cents (previously 104 SA cents) per unlisted A ordinary share. If confirmed by shareholders at the annual general meeting on Friday 25 August 2017, dividends will be payable to shareholders recorded in the books on Friday 15 September 2017. It will be paid on

Monday 18 September 2017. The last date to trade cum dividend will be on Tuesday 12 September 2017 (shares therefore to trade ex dividend from Wednesday 13 September 2017). Share certificates may not be dematerialised or rematerialised between Wednesday 13 September 2017 and Friday 15 September 2017, both dates inclusive. The dividend will be declared from income reserves. It will be subject to the dividend tax rate of 20% (previously 15%), yielding a net dividend of 464 SA cents per listed N ordinary share and 93 SA cents per unlisted A ordinary share to those shareholders not exempt from paying dividend tax. Such dividend tax will amount to 116 SA cents per listed N ordinary share and 23 SA cents per unlisted A ordinary share. The issued ordinary share capital as at 23 June 2017 was 438 265 253 N ordinary shares and 907 128 A ordinary shares. The company's income tax reference number is 9550138714.

Significant acquisitions

Details of significant acquisitions appear in the summarised consolidated annual financial statements under "Business combinations, other acquisitions and disposals" (page 57).

Summarised consolidated annual financial statements

The summarised consolidated annual financial statements appear on pages 42 to 62 of this report. The complete consolidated annual financial statements for the year ended 31 March 2017 are on our website, www.naspers.com. 



Five-year review

	2017 US\$m	2016 US\$m	2015 US\$m	2014 US\$m	2013 ⁽²⁾ US\$m
Income statement items, including equity-accounted investments on an economic-interest basis					
Revenue	14 562	12 224	11 541	9 919	8 976
Trading profit	2 746	2 246	1 901	1 536	1 675
Statement of financial position on a consolidated basis					
Total assets	21 930	16 723	12 936	12 213	11 180
Total equity	15 361	10 654	6 903	6 477	6 047
Total liabilities	6 569	6 069	6 033	5 736	5 133
Other information					
Development spend ⁽¹⁾	1 084	961	953	781	503
Core headline earnings per share (US cents)	406	298	255	216	259
Dividend per N ordinary share (SA cents) (proposed)	580	520	470	425	385
Weighted average number of N ordinary shares ('000)	431 207	417 575	403 576	395 078	385 064

Notes

⁽¹⁾ Including associates and joint ventures on a proportionate basis.

⁽²⁾ Translated from SA rand into US dollar at the average exchange rate for the relevant year.

Summarised consolidated annual financial statements

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Review of our performance

against our six types of capital (continued)

Statement of responsibility by the board of directors for the year ended 31 March 2017

The summarised consolidated annual financial statements of the group 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 annual financial statements, separately available on www.naspers.com , in accordance with International Financial Reporting Standards (IFRS) and the Companies Act No 71 of 2008. The summarised consolidated 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 summarised consolidated annual financial statements and are satisfied that the systems and internal financial controls implemented by management are effective.

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

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 annual financial statements from which the summarised consolidated annual financial statements were derived. The directors believe that representations made to the independent auditor during their audit were valid and appropriate. PricewaterhouseCoopers Inc.'s audit report is presented on page 44.

The summarised consolidated 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

23 June 2017

Review of our performance

against our six types of capital (continued)

Independent auditor's report on the summary consolidated financial statements to the shareholders of Naspers Limited

Opinion

The summary consolidated financial statements of Naspers Limited set out on pages 45 to 60 of the integrated annual report, which comprise the summary consolidated statement of financial position as at 31 March 2017, the summary consolidated income statement, and statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Naspers Limited for the year ended 31 March 2017.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the JSE Limited (JSE) Listings Requirements for summary financial statements, as set out in "Basis of preparation and accounting policies" to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Summary consolidated financial statements

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

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 23 June 2017. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

Directors' responsibility for the summary consolidated financial statements

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

Auditor's responsibility

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



PricewaterhouseCoopers Inc.
Director: Brendan Deegan
Registered auditor

Cape Town
23 June 2017



Review of our performance

against our six types of capital (continued)

Basis of presentation and accounting policies for the year ended 31 March 2017

The summarised consolidated financial results for the year ended 31 March 2017 are prepared in accordance with the JSE Limited (JSE) Listings Requirements (the Listings Requirements) relevant to summarised financial statements and the provisions of the Companies Act No 71 of 2008. The Listings Requirements require summary financial statements to be prepared in accordance with the framework concepts, the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, and Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*. The summarised consolidated financial results do not include all the disclosures required for complete annual financial statements prepared in accordance with IFRS as issued by the International Accounting Standards Board (IASB). The accounting policies applied in the preparation of the consolidated annual financial statements from which the summarised consolidated financial results were derived, are consistent with those applied in the previous consolidated annual financial statements.

The group has adopted all new and amended accounting pronouncements issued by the IASB that are effective for financial years commencing 1 April 2016. None of the new or amended accounting pronouncements that are effective for the financial year commencing 1 April 2016 had a material impact on the group.

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

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

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

Review of our performance

against our six types of capital (continued)

Segmental review

for the year ended 31 March

	Revenue 31 March			EBITDA ⁽¹⁾ 31 March			Trading profit 31 March		
	2017 US\$m	2016 US\$m	% change	2017 US\$m	2016 US\$m	% change	2017 US\$m	2016 US\$m	% change
Internet	10 621	8 237	29	2 706	1 845	47	2 454	1 619	52
– Ecommerce	2 929	2 647	11	(682)	(648)	(5)	(731)	(693)	(5)
– Tencent	7 506	5 417	39	3 312	2 415	37	3 125	2 246	39
– Mail.ru	186	173	8	76	78	(3)	60	66	(9)
Video entertainment	3 401	3 413	–	520	799	(35)	287	610	(53)
Media	588	608	(3)	40	52	(23)	19	29	(34)
Corporate services	2	1	100	(14)	(12)	(17)	(14)	(12)	(17)
Intersegmental	(50)	(35)	(43)	–	–		–	–	
Economic interest	14 562	12 224	19	3 252	2 684	21	2 746	2 246	22
Less: Equity-accounted investments	(8 464)	(6 294)	(34)	(3 180)	(2 261)	(41)	(2 960)	(2 067)	(43)
Consolidated	6 098	5 930	3	72	423	(83)	(214)	179	(220)

Note

⁽¹⁾ EBITDA refers to earnings before interest, taxation, depreciation and amortisation.

Reconciliation of trading (loss)/profit to operating loss

for the year ended 31 March

	2017 US\$m	2016 US\$m
Trading (loss)/profit	(214)	179
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	(360)	(177)

Note

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

Review of our performance

against our six types of capital (continued)

Summarised consolidated income statement for the year ended 31 March

	2017 US\$m	2016 US\$m	% change
Revenue	6 098	5 930	3
Cost of providing services and sale of goods	(3 574)	(3 392)	
Selling, general and administration expenses	(2 827)	(2 423)	
Other (losses)/gains – net	(57)	(292)	
Operating loss	(360)	(177)	(>100)
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 (losses)/gains on equity-accounted investments	(119)	104	
Gains on acquisitions and disposals	2 169	452	
Profit before taxation	3 052	1 261	142
Taxation	(244)	(260)	
Profit for the year	2 808	1 001	181
Attributable to:			
Equity holders of the group	2 921	994	
Non-controlling interest	(113)	7	
	2 808	1 001	
Core headline earnings for the year (US\$m)	1 752	1 246	41
Core headline earnings per N ordinary share (US cents)	406	298	36
Fully diluted core headline earnings per N ordinary share (US cents)	399	292	37
Headline earnings for the year (US\$m)	772	701	10
Headline earnings per N ordinary share (US cents)	179	168	7
Fully diluted headline earnings per N ordinary share (US cents)	173	162	7
Earnings per N ordinary share (US cents)	677	238	185
Fully diluted earnings per N ordinary share (US cents)	670	232	189
Net number of shares issued ('000)			
– At year-end	431 540	431 085	
– Weighted average for the year	431 207	417 575	
– Fully diluted weighted average	432 684	419 208	

Review of our performance

against our six types of capital (continued)

Summarised consolidated statement of comprehensive income for the year ended 31 March

	2017 US\$m	2016 US\$m
Profit for the year	2 808	1 001
Total other comprehensive income, net of tax, for the year⁽¹⁾	1 545	374
Translation of foreign operations ⁽²⁾	326	(309)
Net fair value (losses)/gains	(1)	11
Cash flow hedges	(85)	42
Share of other comprehensive income and reserves of equity-accounted investments	1 293	633
Tax on other comprehensive income	12	(3)
Total comprehensive income for the year	4 353	1 375
Attributable to:		
Equity holders of the group	4 492	1 406
Non-controlling interest	(139)	(31)
	4 353	1 375

Notes

⁽¹⁾ These components of other comprehensive income may subsequently be reclassified to profit or loss except for gains of US\$292m (2016: US\$387m) included in the "Share of other comprehensive income and reserves of equity-accounted investments".

⁽²⁾ The movement on the foreign currency translation reserve for the year relates primarily to the effects of foreign exchange rate fluctuations related to the group's net investments in its foreign operations.

Review of our performance

against our six types of capital (continued)

Summarised consolidated statement of changes in equity for the year ended 31 March

	2017 US\$m	2016 US\$m
Balance at the beginning of the year	10 654	6 903
Changes in share capital and premium		
Movement in treasury shares	(77)	(68)
Share capital and premium issued	56	2 300
Changes in reserves		
Total comprehensive income for the year	4 492	1 406
Movement in share-based compensation reserve	(376)	120
Movement in existing control business combination reserve	47	9
Direct retained earnings and other movements	720	—
Dividends paid to Naspers shareholders	(158)	(161)
Changes in non-controlling interest		
Total comprehensive income for the year	(139)	(31)
Dividends paid to non-controlling shareholders	(116)	(125)
Movement in non-controlling interest in reserves	258	301
Balance at the end of the year	15 361	10 654
Comprising:		
Share capital and premium	4 944	4 965
Retained earnings	9 496	6 110
Share-based compensation reserve	1 147	1 231
Existing control business combination reserve	(137)	(184)
Hedging reserve	(30)	35
Valuation reserve	1 387	573
Foreign currency translation reserve	(1 849)	(2 476)
Non-controlling interest	403	400
Total	15 361	10 654

Review of our performance

against our six types of capital (continued)

Summarised consolidated statement of financial position as at 31 March

	2017 US\$'m	2016 US\$'m
ASSETS		
Non-current assets	16 291	13 486
Property, plant and equipment	1 638	1 443
Goodwill	2 442	2 818
Other intangible assets	1 104	1 190
Investments in associates	10 784	7 625
Investments in joint ventures	79	218
Other investments and loans	82	57
Other receivables	32	20
Derivative financial instruments	2	—
Deferred taxation	128	115
Current assets	5 639	3 237
Inventory	154	194
Programme and film rights	193	160
Trade receivables	420	393
Other receivables and loans	456	491
Derivative financial instruments	6	59
Cash and cash equivalents	4 007	1 714
	5 236	3 011
Assets classified as held for sale	403	226
Total assets	21 930	16 723
EQUITY AND LIABILITIES		
Share capital and reserves	14 958	10 254
Share capital and premium	4 944	4 965
Other reserves	518	(821)
Retained earnings	9 496	6 110
Non-controlling shareholders' interest	403	400
Total equity	15 361	10 654
Non-current liabilities	3 641	4 023
Capitalised finance leases	1 142	771
Liabilities – interest-bearing	2 198	2 922
– non-interest-bearing	9	8
Other non-current liabilities	—	3
Post-employment medical liability	14	13
Derivative financial instruments	13	20
Deferred taxation	265	286
Current liabilities	2 928	2 046
Current portion of long-term debt	915	227
Trade payables	487	437
Accrued expenses and other current liabilities	1 333	1 253
Derivative financial instruments	119	31
Bank overdrafts and call loans	4	1
	2 858	1 949
Liabilities classified as held for sale	70	97
Total equity and liabilities	21 930	16 723
Net asset value per N ordinary share (US cents)	3 466	2 379

Review of our performance

against our six types of capital (continued)

Summarised consolidated statement of cash flows for the year ended 31 March

	2017 US\$m	2016 US\$m
Cash flows from operating activities		
Cash generated from operating activities	294	454
Interest income received	63	46
Dividends received from investments and equity-accounted companies	193	146
Interest costs paid	(257)	(246)
Taxation paid	(333)	(322)
Net cash (utilised in)/generated from operating activities	(40)	78
Cash flows from investing activities		
Acquisitions and disposals of tangible and intangible assets	(173)	(228)
Acquisitions of subsidiaries, associates and joint ventures	(397)	(1 426)
Disposals of subsidiaries, associates and joint ventures	3 383	289
Cash movement in other investments and loans	1	(19)
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)
Outflow from share-based compensation transactions	(36)	(13)
Dividends paid by the holding company and its subsidiaries	(281)	(254)
Other movements resulting from financing activities	(76)	(41)
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	(23)	–
Cash and cash equivalents at the end of the year	4 003	1 713

Review of our performance

against our six types of capital (continued)

Headline and core headline earnings

	31 March	
	2017 US\$m	2016 US\$m
Net profit attributable to shareholders	2 921	994
<i>Adjusted for:</i>		
– insurance proceeds	–	(1)
– impairment of property, plant and equipment and other assets	26	43
– impairment of goodwill and other intangible assets	28	155
– loss on sale of assets	1	3
– loss on remeasurement of disposal groups classified as held for sale to fair value less costs of disposal	2	88
– gains on acquisitions and disposals of investments	(2 219)	(110)
– remeasurement of previously held interest	–	(348)
– dilution losses/(gains) on equity-accounted investments	119	(104)
– remeasurements included in equity-accounted earnings	(102)	(125)
– impairment of equity-accounted investments	–	55
	776	650
Total tax effects of adjustments	(17)	54
Total adjustment for non-controlling interest	13	(3)
Headline earnings	772	701
<i>Adjusted for:</i>		
– equity-settled share-based payment expenses	296	218
– recognition of deferred tax assets	–	(1)
– amortisation of other intangible assets	467	230
– fair-value adjustments and currency translation differences	172	90
– retention option expense	1	2
– business combination related losses	44	6
Core headline earnings	1 752	1 246

The diluted earnings, headline earnings and core headline earnings per share figures presented on the face of the income statement include a decrease of US\$24m (2016: US\$20m) relating to the future dilutive impact of potential ordinary shares issued by equity-accounted investees.

Review of our performance

against our six types of capital (continued)

Supplementary information

INTEREST (PAID)/RECEIVED

	31 March	
	2017 US\$m	2016 US\$m
Interest received	70	40
– loans and bank accounts	56	37
– other	14	3
Interest paid	(278)	(292)
– loans and overdrafts	(198)	(207)
– transponder leases	(46)	(33)
– other	(34)	(52)
Other finance (cost)/income – net	(259)	(100)
– net foreign exchange differences and fair-value adjustments on derivatives	(259)	(102)
– preference dividends received	–	2

EQUITY-ACCOUNTED RESULTS

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

	31 March	
	2017 US\$m	2016 US\$m
Share of equity-accounted results	1 829	1 289
– sale of assets	3	–
– disposal of investments	(381)	(251)
– impairment of investments	268	180
Contribution to headline earnings	1 719	1 218
– amortisation of other intangible assets	404	174
– equity-settled share-based payment expenses	268	191
– fair-value adjustments and currency translation differences	–	6
Contribution to core headline earnings	2 391	1 589
Tencent	2 535	1 797
Mail.ru	52	45
Other	(196)	(253)

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

Review of our performance

against our six types of capital (continued)

Supplementary information (continued)

PROFIT BEFORE TAXATION

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

	31 March	
	2017 US\$m	2016 US\$m
Depreciation of property, plant and equipment	214	186
Amortisation	128	94
– other intangible assets	99	67
– software	29	27
Net realisable value adjustments on inventory, net of reversals ⁽¹⁾	51	78
Other (losses)/gains – net	(57)	(292)
– loss on sale of assets	(1)	(3)
– 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	–
– insurance proceeds	–	1
– fair-value adjustments on financial instruments	1	(4)
Gains on acquisitions and disposals	2 169	452
– 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

Note

⁽¹⁾ Net realisable value writedowns relate primarily to set-top box subsidies in the video-entertainment segment.

Review of our performance

against our six types of capital (continued)

Supplementary information (continued)

GOODWILL

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

	31 March	
	2017 US\$m	2016 US\$m
Goodwill		
– cost	3 175	2 170
– accumulated impairment	(357)	(279)
Opening balance	2 818	1 891
– foreign currency translation effects	210	(26)
– acquisitions of subsidiaries and businesses	244	1 260
– disposals of subsidiaries and businesses	(786)	(7)
– transferred to assets classified as held for sale	(37)	(155)
– impairment	(5)	(145)
– remeasurement to fair value less costs of disposal	(2)	–
Closing balance	2 442	2 818
– cost	2 790	3 175
– accumulated impairment	(348)	(357)

INVESTMENTS AND LOANS

The following relates to the group's investments and loans as at the end of the reporting period:

	31 March	
	2017 US\$m	2016 US\$m
Investments and loans	10 945	7 900
– listed investments	10 127	6 977
– unlisted investments and loans	818	923

Review of our performance

against our six types of capital (continued)

Supplementary information (continued)

COMMITMENTS AND CONTINGENT LIABILITIES

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

	31 March	
	2017 US\$m	2016 US\$m
Commitments	2 464	3 254
– capital expenditure	13	16
– programme and film rights	2 015	2 245
– network and other service commitments	158	176
– transponder leases	–	573
– operating lease commitments	163	207
– set-top box commitments	115	37

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.

Disposal groups 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 page 60 (subsequent events) 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 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 page 57 (business combinations, other acquisitions and disposals) for further details.

Review of our performance

against our six types of capital (continued)

Supplementary information (continued)

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 US\$m	2016 US\$m
Assets	403	226
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
Liabilities	70	97
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

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.

Business combinations, other acquisitions and disposals

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.

Review of our performance

against our six types of capital (continued)

Supplementary information (continued)

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 7m 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.

Financial instruments

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

Fair-value measurements at 31 March 2017 using:

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

Review of our performance

against our six types of capital (continued)

Supplementary information (continued)

Fair-value measurements at 31 March 2016 using:

	Quoted prices in active markets for identical assets or liabilities (level 1) US\$m	Significant other observable inputs (level 2) US\$m	Significant unobservable inputs (level 3) US\$m
Assets			
Available-for-sale investments	12	—	—
Forward exchange contracts	—	48	—
Currency devaluation features	—	—	11
Liabilities			
Forward exchange contracts	—	17	—
Shareholders' liabilities	—	—	13
Earn-out obligations	—	—	22
Interest rate swaps	—	21	—

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

The fair values of the capitalised finance leases have been determined through discounted cash flow analysis. The fair values of the publicly traded bonds have been determined with reference to the listed prices of the instruments as at the end of the reporting period.

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

The fair value of shareholders' liabilities is determined using a discounted cash flow model. Business-specific adjusted discount rates are applied to estimated future cash flows.

For earn-out obligations, current forecasts of the extent to which management believes performance criteria will be met, discount rates reflecting the time value of money and contractually specified earnout payments are used. Changes in these assumptions could affect the reported fair value of these financial instruments. The fair value of level 2 financial instruments is determined with the use of exchange rates quoted in active markets and interest rate extracts from observable yield curves.

Financial instruments for which fair value is disclosed:

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

Note

⁽¹⁾ Includes financial liabilities classified as held for sale.

Review of our performance

against our six types of capital (continued)

Supplementary information (continued)

Related party transactions and balances

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

Events after the reporting period

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 16.0% 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 Holding 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 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 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.

Pro forma financial information

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

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



Review of our performance

against our six types of capital (continued)

Supplementary information (continued)

Pro forma financial information (continued)

The pro forma financial information has been prepared to illustrate the impact of changes in foreign exchange rates and changes in the composition of the group on its results for the period ended 31 March 2017. The following methodology was applied in calculating the pro forma financial information:

- Foreign exchange/constant currency adjustments have been calculated by adjusting the current period's results to the prior period's average foreign exchange rates, determined as the average of the monthly exchange rates for that period. The local currency financial information quoted, is calculated as the constant currency results, arrived at using the methodology outlined above, compared to the prior period's actual IFRS results. The relevant average exchange rates (relative to the US dollar) used for the group's most significant functional currencies, were South African rand (2017: 0.0713; 2016: 0.0721); Polish zloty (2017: 0.2516; 2016: 0.2604); Russian rouble (2017: 0.0159; 2016: 0.0156); Chinese yuan renminbi (2017: 0.1483; 2016: 0.1572); Indian rupee (2017: 0.0149; 2016: 0.0152); Brazilian real (2017: 0.3061; 2016: 0.2753); and Nigerian naira (2017: 0.0035; 2016: 0.0050).
- Adjustments made for changes in the composition of the group relate to acquisitions and disposals of subsidiaries and equity-accounted investments, as well as to changes in the group's shareholding in its equity-accounted investments. The following significant changes in the composition of the group during the respective reporting periods have been adjusted for in arriving at the pro forma financial information:

Transaction	Basis of accounting	Reportable segment	Acquisition/ Disposal
Dilution of the group's interest in Tencent	Associate	Internet	Disposal
Dilution of the group's interest in Mail.ru and disposal by Mail.ru of Headhunter	Associate	Internet	Disposal
Dilution of the group's interest in Souq	Joint venture	Ecommerce	Disposal
Acquisition of the group's interest in Ietgo	Subsidiary	Ecommerce	Acquisition
Acquisition of the group's interest in Avito	Subsidiary	Ecommerce	Acquisition
Acquisition of the group's interest in Citrus Pay	Subsidiary	Ecommerce	Acquisition
Disposal of ibibo to MakeMyTrip	Subsidiary	Ecommerce	Disposal
Disposal of Allegro and Ceneo	Subsidiary	Ecommerce	Disposal
Disposal of Netretail	Subsidiary	Ecommerce	Disposal
Disposal of Heureka	Subsidiary	Ecommerce	Disposal
Disposal of Korbitec	Subsidiary	Ecommerce	Disposal

The net adjustment made for all acquisitions and disposals that took place during the year ended 31 March 2017 amounted to a negative adjustment of US\$309m on revenue and a negative adjustment of US\$45m on trading profit.

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

Review of our performance

against our six types of capital (continued)

Supplementary information (continued)

Pro forma financial information (continued)

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

Year ended 31 March								
	2016 A	2017 B	2017 C	2017 D	2017 E	2017 F ⁽²⁾	2017 G ⁽³⁾	2017 H ⁽⁴⁾
	IFRS US\$m	Group composition disposal adjustment US\$m	Group composition acquisition adjustment US\$m	Foreign currency adjustment US\$m	Local currency growth US\$m	IFRS US\$m	Local currency growth % change	IFRS % change
Revenue⁽¹⁾								
Internet	8 237	(457)	157	(502)	3 186	10 621	41	29
– Ecommerce	2 647	(418)	151	(51)	600	2 929	27	11
– Tencent	5 417	(28)	–	(454)	2 571	7 506	48	39
– Mail.ru	173	(11)	6	3	15	186	9	8
Video entertainment	3 413	(2)	–	(245)	235	3 401	7	–
Media	608	(7)	–	(8)	(5)	588	(1)	(3)
Corporate services	1	–	–	–	1	2	100	100
Intersegmental	(35)	–	–	(1)	(14)	(50)		
Economic interest	12 224	(466)	157	(756)	3 403	14 562	29	19
Trading profit⁽¹⁾								
Internet	1 619	(2)	(43)	(167)	1 047	2 454	65	52
– Ecommerce	(693)	16	(42)	22	(34)	(731)	(5)	(5)
– Tencent	2 246	(12)	–	(189)	1 080	3 125	48	39
– Mail.ru	66	(6)	(1)	–	1	60	2	(9)
Video entertainment	610	–	–	(125)	(198)	287	(32)	(53)
Media	29	–	–	–	(10)	19	(34)	(34)
Corporate services	(12)	–	–	1	(3)	(14)	(25)	(17)
Economic interest	2 246	(2)	(43)	(291)	836	2 746	37	22
Other metrics reported⁽¹⁾								
Development spend ⁽⁵⁾								
– economic interest	961	–	51	(1)	73	1 084	8	13
– consolidated	708	–	54	8	91	861	13	22
Consolidated revenue	5 930	(395)	138	(295)	720	6 098	13	3
Consolidated ecommerce revenue	1 966	(389)	138	(41)	499	2 173	32	11
Classifieds revenue	217	(19)	114	(13)	127	426	64	96
Avito revenue	54	–	114	7	29	204	54	278
Payments revenue	140	–	8	(7)	45	186	32	33

Core headline earnings, calculated in local currency terms, amounted to US\$2.01 bn.

Notes

⁽¹⁾ All figures are presented on an economic-interest basis unless otherwise indicated.

⁽²⁾ A + B + C + D + E.

⁽³⁾ $[E/(A+B)] \times 100$.

⁽⁴⁾ $[(F/A) - 1] \times 100$.

⁽⁵⁾ Development spend is not an IFRS measure and accordingly does not have a corresponding IFRS equivalent and therefore has been excluded from the assurance report issued by the group's external auditor.

Review of our performance

against our six types of capital (continued)



Products and services

Operational review

Naspers has made a business decision not to disclose key performance indicators as this is considered competitively sensitive information. We aim to provide stakeholders with information that is critical to understanding the sustainability of Naspers's performance, without compromising the interests of the group.

Internet

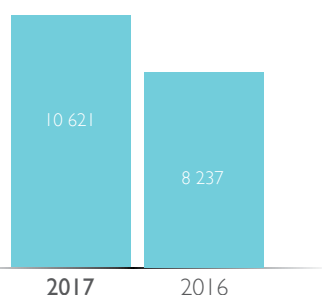
Our platforms offer customers fast, intuitive and secure environments to communicate, entertain and shop. Our ecommerce services span general and vertical classifieds, B2C, specialised online services such as travel and food delivery, and payments platforms. Naspers Ventures invests in disruptive platforms – those harnessing innovation and technology to set new benchmarks in their sectors.

Results in our internet segment reflect continued good growth by Tencent and ecommerce, with revenues of US\$10.6bn, up 29% (41%) year on year. Trading profit was 52% (65%) higher at US\$2.5bn.

Most importantly, we now have one of the largest mobile audiences in the world. Internet revenues account for 73% of total revenues on an economic-interest basis, up from 67% a year ago.

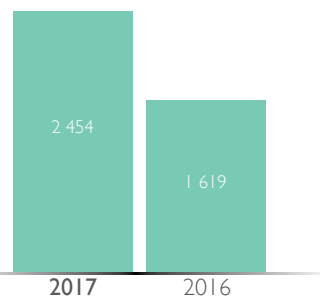
Revenue* (US\$m)

IFRS: 29%
LC: 41%



Trading profit* (US\$m)

IFRS: +52%
LC: +65%



Notes

* Including associates and joint ventures on a proportionate basis.
LC = local currency.

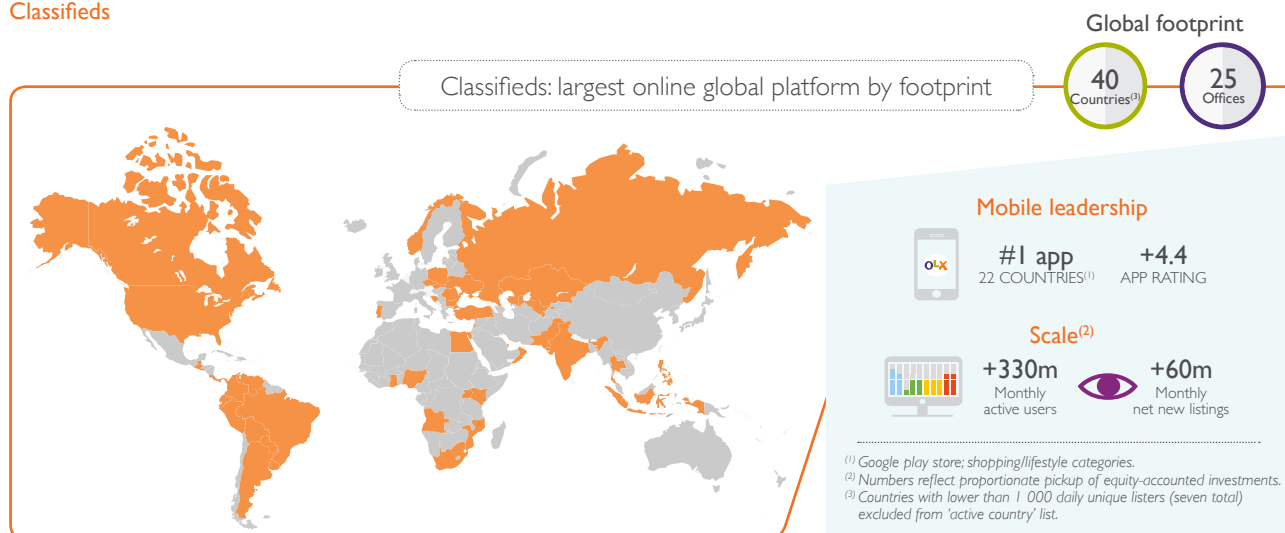
Review of our performance

against our six types of capital (continued)

Ecommerce

Consumer-to-consumer

Classifieds



Operating as OLX group, we are building a sustainable classifieds business as the world leader in facilitating consumer-to-consumer (C2C) trade. With operations in 48 countries, our teams are entrenching winning positions in attractive markets by facilitating C2C trade through product innovation and global scalability. OLX group has leading market positions in 35 countries with notable gains in the US and Turkey, while growing in key markets like India, Indonesia, Colombia, Egypt, Argentina and others across Latin America, the Middle East, Europe, Africa and Asia. In the Google Play Store, OLX group apps regularly rank number 1 in the shopping/lifestyle category in over 20 countries.

OLX group continues to improve monetisation in markets where it has earned leadership – particularly Russia, Poland, UAE, Portugal, Romania and Ukraine. In these markets, it creates and captures value primarily from business sellers who pay to promote their inventory and enhance their sales.

OLX group continues to invest in world-class product and technology platforms, particularly mobile trading apps for local C2C trade (letgo, OLX and Avito) while building professional selling tools and platforms to scale its vertical businesses, such as cars and real estate.

OLX group's combined audience continues to grow, with over 70m users of its mobile apps every month. With some 60m items listed each month, if its community of monthly sellers was a city, it would be as big as Chennai, Rio de Janeiro and Nairobi combined – over 18m in total.

Business-to-consumer

Etail (electronic retail)

eMAG

eMAG operates a structured B2C ecommerce platform (for first – own products – and third parties, 1p and 3p respectively) in Romania, Hungary, Bulgaria and Poland under the eMAG brand, as well as a leading fashion shopping destination in Romania, Hungary and Bulgaria under the Fashion Days brand.

eMAG delivered good results, with accelerating growth rates and rising shares in its key markets Romania, Bulgaria and Hungary.

It is building an efficient technology-led ecommerce platform, supported by a network of showrooms that carry a limited range of products. eMAG operates a 1p business with a growing private-label component that is already operating at scale in Romania, providing strong margins and improved working capital days. This is coupled with a highly structured 3p marketplace business supporting merchants that provide the same level of service.

eMAG Romania accounted for the largest portion of revenue in the etail segment, approaching breakeven for the review period. Its international businesses are still in the investment stage and performing to plan. Fashion Days, now integrated into eMAG operations, manages both the fashion category on eMAG as well as a dedicated offering under the eMAG umbrella.

Review of our performance

against our six types of capital (continued)



Flipkart

Flipkart operates a structured 1p/3p B2C ecommerce platform in India, which includes a dedicated fashion business (Myntra and Jabong), a logistics business (eKart) and a payments business (PhonePe).

- Flipkart and Myntra offer consumers a broad selection of quality products at affordable prices across all major product categories from mobile phones to large appliances and apparel.
- PhonePe and eKart are strategic enablers in the ecommerce value chain, supporting core consumer retail business targets by serving Flipkart and non-Flipkart consumers alike.

India is a large, long-term opportunity – the online retail market is expected to grow fivefold to US\$50bn by 2020 from US\$10bn in 2016. The competitive landscape has intensified in the past year, with Amazon gaining market share. Flipkart has however maintained its leadership, and recent market-share trends are positive. This was mostly due to strategic and operational changes to improve customer experience, profitability, rebalance product strategy (mobile and desktop) and refine its commercial strategy. Myntra continues to grow, improving profitability and becoming the number one platform in its sector after acquiring Jabong, its closest competitor.



Takealot

Takealot.com is a general online retail and marketplace platform, focused on the South African consumer via mobile and desktop devices. In addition, it operates Superbalist (online footwear and apparel retail), Mr D Courier (online point-to-point delivery) and Mr D Food (food marketplace where restaurants list and consumers purchase food for delivery).

The South African B2C market is in the early stages, but its potential is reflected in internet penetration of only 53% and online retail penetration of under 1%.

Takealot is a leader in local online retail, gaining market share in the past year by offering relevant selections at good prices, backed by superior service levels (fast and reliable delivery). Its focus is on expanding the 1p business and the 3p marketplace to further improve selection, prices and profitability while driving overall margins and efficiencies in the business. At the same time, Mr D Food, relaunched with a mobile-app focus, is tapping into the growing market of online food deliveries and ensuring necessary volumes for the Mr D Courier network in addition to ecommerce.

Travel

MakeMyTrip

MakeMyTrip is India's leading online travel agent, with mobile apps for air, hotel and bus bookings in a massive market with significant potential.

In January 2017 Naspers merged ibibo and redBus with MakeMyTrip, ibibo's main competitor. This gives Naspers a 40% stake in MakeMyTrip, a Nasdaq-traded company, and creates India's leading online travel agent.



Review of our performance

against our six types of capital (continued)



After the merger, the focus is on growing the online travel market by building the largest online travel agent in India. At present, air travel is the most established online category at 50% penetration. Hotel reservations still reflect low online penetration but, due to attractive margins and two-sided network effects, will account for the bulk of future market growth. All travel segments are accessible via three platforms – MakeMyTrip, goibibo and redBus – with the majority of traffic and transactions being conducted via their respective mobile apps.

The development and investment focus in the near future will be on the hotels

segment, particularly increasing hotel coverage throughout India and internationally, while driving customer acquisition and retention through superior service and technological innovation.

Naspers Ventures

Naspers Ventures partners with entrepreneurs to build leading technology companies in high-growth markets. We identify companies and founders with high potential and the ambition to scale globally. The goal of this unit is to source the next phase of growth for Naspers – identifying trends, technologies, segments and geographies in which to invest – that will generate significant growth over coming decades.

Naspers Ventures evaluates consumer trends to truly understand engagement, using this information to identify investment opportunities. Specific segments meeting our investment criteria include education technology, health technology and agricultural technology, or edutech, healthtech and agritech. Naspers Ventures has already invested in innovative companies with high-potential platforms. Some of these identified segments are:

- Codecademy: teaching over 1m students per month how to code. With more than 56% of registered users learning code to find a new job, Codecademy is helping people in countries around the globe to upskill and find better career opportunities.
- Brainly: serving over 80m students in 35 countries, it enables students to help other students with school subjects including mathematics, history, literature, coding, science and more.
- Udemy: a global education marketplace that serves over 12m students in 190 countries. With 20 000 instructors teaching more than 40 000 courses, users can literally learn anything on Udemy.
- FarmLogs: data science for row-crop farmers to make smarter, more efficient crop-production decisions. Over 30% of US farms use FarmLogs on more than 25m hectares of farmland, maximising profits through more informed management decisions.



Review of our performance

against our six types of capital (continued)

Mobile

Mobile develops world-class mobile marketplaces and is a leader in B2C mobile app-based services across Latin America, including:

- iFood – an online food-delivery market leader in Latin America, fulfilling over 3m orders per month.
- Sympla – the leading self-service ticketing platform in Brazil and a one-stop-shop for entertainment and events in Latin America.
- PlayKids – a children's education and entertainment platform packed with age-appropriate videos, ebooks, nursery rhymes, games and lullabies specifically for children aged five and under.

PayU

PayU operates in 16 countries, including five of the top 10 largest and fastest-growing payments and ecommerce markets. The payments industry is characterised by:

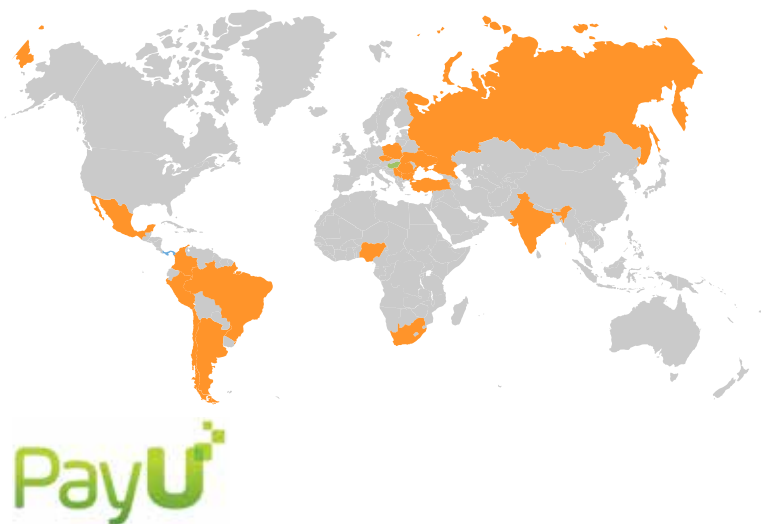
- Secular shift to ecommerce: by 2020, global payments industry revenue is expected to be US\$1.5 trillion, while cross-border transaction growth is expected to be three times faster than domestic transactions.
- Regulatory drive for cashless payments: for example, demonetisation in India.

PayU's total payment volumes exceeded US\$16bn in the review period, up 36%. Revenue from the global merchant segment doubled and PayU expanded into credit, launching consumer credit products in key markets.

Listed investments

Tencent

Tencent continues to perform well in a highly competitive and dynamic environment. Through expanded services and the excellent management of Pony Ma, Martin Lau and their teams, it remains the largest platform operator in China.



- Currently some 2m transactions daily
- >300 000 merchants, including large global companies
- Operations across 17 markets
- Global reach, but deep local presence

Revenues for the year were RMB151.9bn, up 48%. Non-GAAP profit attributable to shareholders (Tencent's measure of normalised performance) grew by 40% to RMB45.4bn. Online value-added services revenue rose 34% to RMB107.8bn and advertising revenue was up 54% to RMB27.0bn.

China's internet population grew 6% to 731m by the end of 2016, while the mobile internet population grew at twice that pace to 695m users. With a slowing trend in overall user growth rates, Chinese internet companies have focused on improving user retention and developing innovative user experiences and monetisation opportunities by expanding into new fields.

Tencent continued to execute its connection strategy by strengthening its social platforms and leveraging its social traffic to grow its key businesses. In the

social and communication segment, Weixin increased its super-app status, with monthly average users reaching 938m by 31 March 2017, while QQ remained the preferred social networking platform for young people. In games, Tencent expanded its smartphone games portfolio, particularly in high-user offerings such as board games and player-vs-player games, and high-revenue products such as role-playing games. In online media, Tencent strengthened its position in online video, news, music and literature. Its leadership in social and news products supported strong growth in advertising revenue with performance ad revenue up over 80% year on year, mainly driven by native advertisements on Weixin Moments and Official Accounts.

Tencent recorded substantial growth in video-platform subscriptions through aggressive content acquisition and a greater upstream presence via further

Review of our performance

against our six types of capital (continued)



investments in film/TV series studios and its own production projects. It also consolidated the online music industry in China by merging QQ Music and China Music Corporation to enable users to discover more music, artists to reach more fans, and the music industry to create new products and business models.

Tencent's user activity in the payments segment continues to grow strongly. Weixin Pay is benefiting from integration with partners such as ecommerce site JD and taxi-booking app Didi. Ecosystem infrastructure such as cloud-based services also saw significant progress in adoption and use.

During the year Tencent continued to invest in strategic areas, including a substantial investment in Supercell, a leading global mobile games company. This transaction strengthened Tencent's leadership in the games industry, and expanded its revenue and growth potential outside China in select international markets.

Tencent is listed on the Hong Kong Stock Exchange and extensive further information is available on its website, www.tencent.com. 

Mail.ru

The Mail.ru Group (Mail) is the foremost online property in Russia. Its leading platforms, including V Kontakte (VK), cover gaming, social networking, email, portal, search, instant messaging and ecommerce.

In 2016, Russian advertising spend continued to shift to digital, especially on mobile. Consequently, Mail is focusing on growing mobile advertising and rolling out new ad technology. Despite a sluggish Russian economy, ad revenue growth was strong at 26% year on year to RUB18 442m. Mail's massive multiplayer online (MMO) games revenue grew 21% to RUB11 390m, driven by Warface, its largest game. In October 2016, Mail acquired Pixonic, with its key game War Robots recording strong growth in users – more than doubling since the acquisition.

Mail's revenue for the year to December 2016 was RUB42.8bn, up 15%, while group aggregate segment EBITDA (Mail's measure of normalised performance) was 1% lower at RUB17.9bn, mainly due to a non-recurring value-added tax charge.

VK, the most popular mobile messaging and social networking app in Russia, continued to perform well, increasing engagement and audience. Total monthly active users reached 97m by March 2017, of which over 80m were mobile users.

Mail also acquired 100% of Delivery Club, the leading online food-delivery company in Russia.

Mail's depository receipts are listed on the London Stock Exchange. Further information is available at www.corp.mail.ru. 



Review of our performance

against our six types of capital (continued)

Video entertainment

We are building the leading video-entertainment business on the African continent, offering our customers entertainment anywhere, anytime across platforms, including digital terrestrial television (DTT), direct-to-home (DTH) and subscription video-on-demand (Showmax).

Muted economic growth across sub-Saharan Africa has resulted in the toughest operating conditions in over two decades for the video-entertainment business, driven by lower commodity prices, drought, political uncertainty and currency volatility.

Profitability was affected by the protracted weakness of currencies in our main markets where customers are billed in local currency and the bulk of the cost base is US dollar denominated. In addition, increased competition is driving up the cost of content. To mitigate some of the impact, the business continued to focus on cost reduction.

Monetary policy continues to restrict liquidity in Nigeria, Angola and

Mozambique, with limited availability of foreign exchange. At 31 March 2017 we had cash balances of US\$289m that were exposed to currency depreciation.

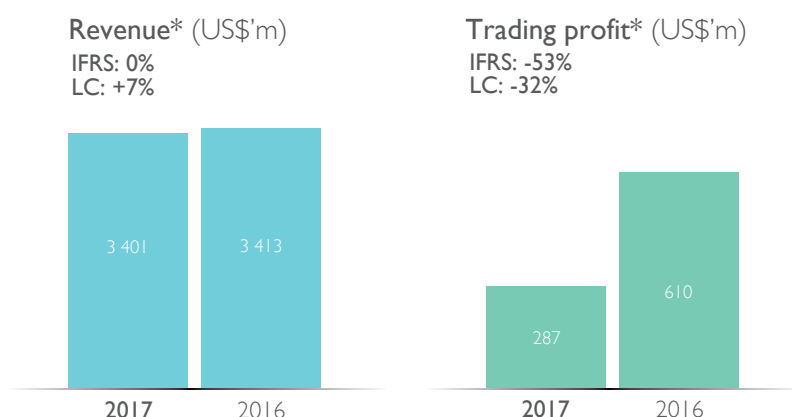
In the prior year, economic conditions caused large numbers of subscribers in certain markets to churn off our platform. To address this, a value strategy was implemented, focusing on expanding the business over the long term. This strategy includes bouquet restructuring, maintaining or reducing subscription prices in key markets, better customer focus and retention, and reducing set-top box prices. The benefits are evident in net DTH subscriber growth of 935 000 (FY16: 38 000), while 597 000 new DTT customers were added, bringing the combined base to 11.9m customers.

The DTT business continued to grow well, despite delayed analogue switchoffs, reflecting continued development of our DTT content offering and retention capabilities.

The focus remains on reducing the cost base by monitoring non-performing content while rightsizing the business and its operational activities.

Innovation and customer service

Innovation in digital product development and technological advancements continues. A new set-top box, Explora 2, was launched in September 2016 with improved video-compression technology.



Notes

* Including associates and joint ventures on a proportionate basis.
LC = local currency

Review of our performance

against our six types of capital (continued)



We continue to provide superior local and international content to customers anywhere, anytime on multiple services through the DStv Now app. This year, another 20 linear channels were introduced, taking the total number of channels available on the app to over 60. Collectively, DStv Now users generate over 4m play events per month across DStv Catch Up and the linear channel content line-up. The number of BoxOffice titles available to Explora customers was also increased. They can now rent up to 30 of the latest movies. Explora customers who have connected their devices to the internet have access to over 1 000 movies on DStv Catch Up Plus and are collectively downloading over 1m titles per month to watch on their own terms.

To maintain this momentum, our focus remains on customer satisfaction, retention and great customer service.

Content

SuperSport continues to drive local sports and leagues through its partnership with local sports bodies and contributing to various corporate social initiatives, including the Let's Play and Sports Trust projects. Over the inaugural three seasons, 306 Diski Challenge matches were played, more than 100 players promoted from the reserve league to the premier league, and over 100 matches broadcast live on SuperSport channels. The matches were produced by 36 broadcast interns, many of whom now have permanent roles in the SuperSport business.

Through M-Net, we invest in the best local and international content. Local versions of popular reality-format shows performed well with audiences during the year. These included The Voice, Idols, Big Brother and M-Net's own shows such as Our Perfect Wedding and My Story. International blockbusters, such as Game of Thrones season 6, kept customers entertained while locally produced telenovelas continue to drive appointment viewing. Investing in local content by developing our own original scripts for dramas and telenovelas remains a priority.

Regulatory

Video-entertainment operations are regulated by relevant bodies across the continent. Various competition and consumer investigations are under way and we continue to cooperate with regulators. Regulations are under constant review and we regularly engage with authorities as key stakeholders.

Competition

The competitive landscape has become cluttered with new DTH players entering the market, ongoing competition from existing DTT players and an ever-expanding array of over-the-top services (OTT), commonly referring to audio, video and other media transmitted via the internet without a cable operator or direct-broadcast satellite TV system controlling or distributing the content.

International and local groups with sizeable budgets continue to invest in Africa through content and infrastructure. In response, we are focused on expanding our content-production footprint and improving customer service.

Business continuity

The Intelsat 20B satellite was successfully launched in August 2016, providing greater transponder capacity to grow our content and high-definition (HD) offerings, as well as improving disaster-recovery capacity.

Showmax

Showmax's first full year of operation culminated with launching the service in Poland in February 2017. Showmax is now fully localised in South Africa, Kenya and Poland, and available in over 60 additional countries. Showmax Select, a mobile-first version with a catalogue of primarily local content, was launched in Kenya and South Africa.

Bandwidth management was added to most Showmax apps to address consumer concerns about data use in developing markets, while mobile apps were optimised to reduce data consumption.

Showmax now offers a range of local payment options, including add-to-bill with DStv and Vodacom in South Africa, prepaid vouchers at over 500 retail outlets in South Africa, and M-Pesa payment in Kenya.

Review of our performance

against our six types of capital (continued)

Media

Media24 is building communities through content, technology and commerce. Over the next years, it will build a more diversified media player with market-leading mobile content and a portfolio of ecommerce solutions comprising efashion, efulfilment and online job classifieds. This will allow Media24 to capitalise fully on rising mobile internet connectivity on the continent, as well as South Africa's growing online retail sector.

Media24's digital media operations recorded growth in audience and engagement – especially on mobile platforms.

In the past year the product offering was improved with personalised news apps driven by machine learning. Media24 also launched HuffPost South Africa, the first sub-Saharan African edition of this news brand.

In line with international trends, Media24 recorded ongoing declines in its mature print media operations on contracting advertising and circulation revenues.

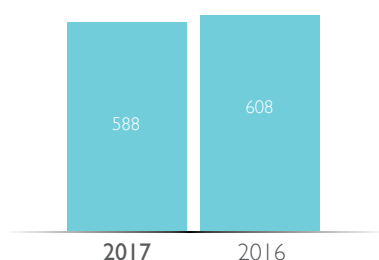
Its online fashion business, Spree, delivered sales growth of over 80% from an expanded product range as well as improved online and offline user experience.

Strategically, the group streamlined its print portfolio and is fully focused on building its digital media future, which includes investing in diversification into ecommerce and digital services. Accordingly, it disposed of financial data services business INET BFA for cash of some US\$10m.



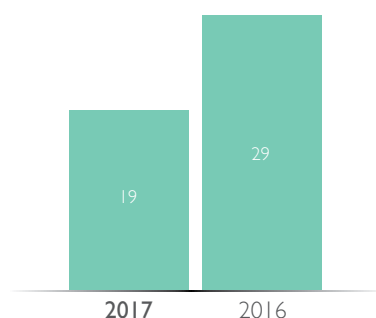
Revenue* (US\$m)

IFRS: -3%
LC: -1%



Trading profit* (US\$m)

IFRS: -34%
LC: -34%



Notes

* Including associates and joint ventures on a proportionate basis.
LC = local currency.

Review of our performance

against our six types of capital (continued)

Review of sustainability capital

Sustainable investment

Sustainable development and economic, social and environmental protection are global imperatives that present both opportunities and risks for business. As a leading company, Naspers is positioning itself to meet these challenges. As our business expands, we aim to contribute to the communities in which we operate; develop our own people; contribute to economic prosperity; and minimise our impact on the environment. In formulating this policy, we analysed areas where the group can contribute to sustainable development in the markets in which it operates.

Extract: Sustainable development policy.



As a for-profit organisation, Naspers invests in developing its business to provide useful products and services to customers and a sustainable return to investors.

Flowing from these activities, we invest in our operating countries by creating demand for local suppliers, employing people and contributing to the community via direct and indirect taxes and social responsibility initiatives.

The group operates in different communities, each with unique challenges. Understanding that our products and services directly impact local societies, each business aims to make a difference to its community by contributing in line with its strengths and know-how. For example, video entertainment's social transformation is hardwired into their DNA. They uplift, support, encourage and invest in local communities. Media24 is committed to serve the communities in which they operate. They are keen in supporting the arts and local small business and entrepreneurial development. To counter the



generally decreasing level of education in Romania, eMAG invests in education through eMAG Foundation programmes. One focus area supports children with potential in mathematics, physics and informatics to develop to their full potential. With a mission to help anyone build the life they imagine, Udemy is a global marketplace for learning and teaching online. Millions of students learn from an extensive library of over 40 000 courses taught by expert instructors. Whether learning for professional development or personal enrichment, students can master new skills through self-paced, on-demand courses.

Review of our performance

against our six types of capital (continued)



Human capital

Our people

At heart, we are entrepreneurs. We focus on attracting the world's best talent to build leading companies that empower people and enrich communities through outstanding products used by millions of people every day.

Talent, particularly in the fields of ecommerce, technology and engineering, is scarce globally. As such, being seen as an attractive and meaningful place to work, is key to our strategy.

During the year we brought new talent into the group at all levels and strengthened our focus on people across the organisation, providing new opportunities to existing employees. The group employs nearly 25 000 (2016: 27 000) (including joint ventures, but excluding associates) permanent employees in some 120 countries. Headcount decreased as a result of mergers and acquisitions activity across the group.

We empower

We back local teams and learn from each other. We encourage diversity in our teams and in our thinking. Our people are empowered to be responsible and make decisions because we trust them to do a great job. We believe in them and we want them to share their talent and expertise across the group. Through MyAcademy (the offline and online learning environment for the group) and local learning and development initiatives, we invest in our people so they can build their skills, their expertise and, ultimately, their careers.

Each year we organise internal networking and learning events to bring together teams and communities of expertise, often from across the group, to share ideas and learn from internal and external experts. In the review period, over 9 000 employees attended one or more events of this nature.

We perform

We push for performance in everything we do, and we move fast to capitalise on opportunities others have not seen.

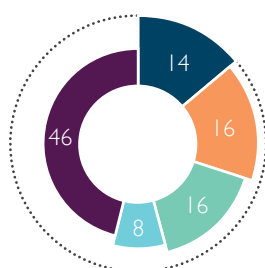
We agree on clear and ambitious goals, have continuous conversations about achieving even more and reward our people for what they deliver and how they deliver it. We encourage innovation from all our people. To attract and retain the skills on which our sustainability depends, and to reward superior performance, most of our group companies grant share options/ appreciation rights to their employees under a number of equity compensation plans.

We matter

We matter to the communities we serve and, wherever we operate, we hold ourselves to high standards. Our code of business ethics and conduct defines our commitment to conducting business fairly, ethically and with integrity. This code and related policies are communicated to group employees and available on www.naspers.com.

Many of our companies invest in corporate social responsibility programmes and we encourage our people to support these by investing

Headcount by region* (%)

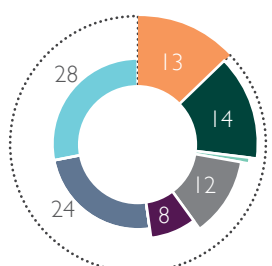


- Asia
- Europe
- Americas
- Rest of Africa
- South Africa

Note

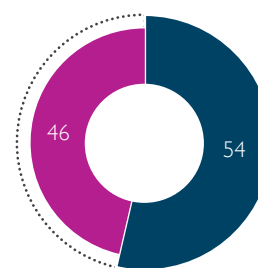
* Excludes associates and joint ventures.

Headcount by business segment* (%)



- B2C
- Classifieds
- Corporate
- New ventures
- Payments
- Media
- Video entertainment

Gender* (%)



- Male
- Female

Review of our performance

against our six types of capital (continued)

their time. Wherever we operate we employ local people and we create supportive, flexible and pleasant environments to help them perform at their best while developing their skills. We focus on the ongoing development of our managers, as creating an environment where our people feel cared for, listened to and supported in their ambitions, is ultimately in their hands. Together we are all responsible for the positive impact we have on our stakeholders.

People development

Developing our talent is a critical enabler of present and future success, as well as playing a role in the motivation and retention of our people. Most of our businesses around the world have a learning and development agenda focused on their own specific needs. This is influenced by factors such as what the business is aiming to achieve, the maturity level of the business, the opportunities and challenges it is tackling, its competitive landscape, and the demographic nuances of the region or countries in which it operates. At group level we base our people development focus on four key areas:

- Reinforcing the leadership pipeline and accelerating the growth of top talent.
- Driving a performance culture.
- Supporting the ongoing development and growth of our businesses and equipping our people with new skills for tomorrow.
- Developing core business skills in ecommerce, video entertainment and media.

For example, we focus on developing our leaders in order to build a pipeline of ready-now successors, share knowledge rapidly around the world, support new business acquisitions, and accelerate the pace of change in our maturing businesses.

We launched our online learning platform MyAcademy in September 2016 and to date we have almost 6 000 monthly active learners from around the group who, as of 31 March 2017, had taken over

74 000 online lectures and engaged in more than 8 000 hours of training on this platform.

In the last fiscal year we began to harmonise our approach to measuring employee engagement across the group, asking approximately 15 000 of our people to comment anonymously on their experience of working at our various group companies. We have seen engagement levels broadly in line with external benchmarks and our operating teams are working on addressing issues raised and sharing best practice with one another.

Key initiatives across the group are summarised below.

Entity	Initiatives
	• No injuries reported for employees in FY17. • eMAG tracks total work-related injuries (especially in the logistical area), frequency and completion of health and safety training.
	• Annual health checkup policy which covered 88% of the eligible population in FY17 health insurance policy. • Regular doctors at work – general physician, gynaecologist, counsellor/psychologist, acupressure expert, homoeopathist. • Sessions throughout the year on parenting, women's health, ergonomics and more held for the benefit of employees.
	• Strong health insurance policies. • In some countries, we regularly engage with organisations for basic health checkups. • No injuries reported in Latin America or India. We are developing appropriate systems for the Europe/Middle East/Africa regions.
	• Wellness initiatives include: – medical aid, wellness centre, wellness days, wellness programmes focused on selective health topics and a gym at MultiChoice City, and – raising financial awareness has been prioritised – facilitated by financial experts. • Safety initiatives include: – independent monthly health and safety audits – infrared scanning of all buildings for electrical hot spots – health and safety committee per building, and – continuous health and safety training.
	• Medical aid and annual free wellness checks. • Regular health and safety training and audits and protection for journalists when needed. • Wellness counselling and support service for employees and their families.

Review of our performance

against our six types of capital (continued)

Transformation and diversity

We back local teams and learn from each other. We encourage diversity in our teams and in our thinking. Our people are empowered to be responsible and make decisions because we trust them to do a great job. We believe in them and we want them to share their talent and expertise across the group.

Through our MyAcademy as well as local learning and development initiatives, we invest in our people so they can build their skills, their expertise and, ultimately, their careers. Each year we organise internal networking and learning events to bring together teams and communities of expertise, often from across the group, to share ideas and learn from internal and external experts.

Naspers contributes to workplace transformation and diversity through:

- Gender equality and leadership development initiatives. This is a founding principle of all development initiatives, especially in areas where there is an imbalance (eg women in technology). Learning programmes include specific modules to communicate effectively across culture, gender and age, both locally and when representing the group abroad.
- A global talent function has been established, with experienced recruiters in key regions and the ability to design competitive reward packages.
- To attract and retain the skills on which our sustainability depends, and to reward superior performance, most of our group companies grant share options/appreciation rights to

their employees under various equity compensation plans.

- Developing our talent underpins our success by motivating and retaining skilled people. Most of our businesses around the world have a learning and development agenda focused on their specific needs and markets.
- Training expenditure for the reporting period totalled US\$17.4m.

Traditionally, we have reported on the BBBEE compliance and performance of our two largest South African groups, MultiChoice and Media24. The revised BBBEE regulations have extended this reporting requirement to all JSE listed companies including Naspers. We are proud to have achieved a level 3 BBBEE status in our inaugural rating and remain committed to actively manage our transformation efforts in South Africa.

Naspers ICT code scorecard

Element	Target score	Bonus points available	Bonus points achieved	Actual score achieved 2017
Equity ownership	25	0	0	19.66
Management control	13	0	0	6.76
Employment equity	10	0	0	5.09
Skills development	20	5	1.68	16.23
Preferential procurement	25	2	2	23.82
Enterprise and supplier development	25	3	3	28
Socio-economic development	12	0	0	12
Total score	130	10	6.68	111.57
Performance (%)			66.80%	79.69%
BBBEE rating				Level 3
Priority elements achieved				Yes
Empowering supplier status				Yes

Note

Independent BBBEE verifications were performed for the above period.

Review of our performance

against our six types of capital (continued)

Employment equity

The breakdown of the MultiChoice and Media24 groups' annual employment equity statistics is shown below. Under South African Department of Trade and Industry definitions, black people include black Africans, coloureds and Indians who are citizens of South Africa by birth or descent or who became citizens by naturalisation before 1994.



MultiChoice: Transformation

Given MultiChoice's strong presence in South Africa and across the continent, it plays an important role in the development of its home country and its industry. In particular, MultiChoice creates jobs by investing in local industry:

- All decoders are now manufactured in South Africa, creating jobs and strengthening local enterprises.
- Additional jobs are created through the independent DStv agency and installer network.
- The MultiChoice Enterprise Development Trust supports the growth of entrepreneurs in broadcasting and the wider ICT industry. Investing in the trust's beneficiaries enables them to expand and create jobs in their businesses.
- To date, the trust has committed over R100m to beneficiaries. This includes grants, loans, costs incurred on behalf of beneficiaries as well as bursaries for skills development programmes.
- In the review period, some R6m was spent on development programmes, benefiting over 100 entrepreneurs (suppliers and non-suppliers).
- The trust also incorporates beneficiaries into its supply chain, with beneficiaries offering services such as training, broadcasting and accounting services.

Monitored against the ICT sector code of good practice for BBBEE, MultiChoice South Africa achieved a level 1 BBBEE rating under the revised codes, with several notable achievements in important areas of transformation.

For further details on MultiChoice's BBBEE scorecard, refer to .

Media24: Transformation

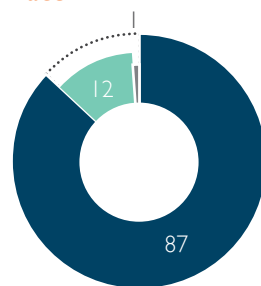
Media24 aims to make a contribution to the social and economic development of South Africa by leveraging its resources and the goodwill of its people to drive transformation across all its divisions. In line with local legislation, and Media24's own employment policy, it values diversity in the workplace. This aligns the company with its customers and encourages tolerance and understanding. Just as importantly, it cultivates a working environment conducive to innovative thinking.

In terms of the latest scorecard prepared by its black economic empowerment (BEE) verification agency, Media24 attained a level 4 status with a 100% procurement recognition on BEE spend under the revised BEE codes.

For further details on Media24's BBBEE scorecard, refer to .

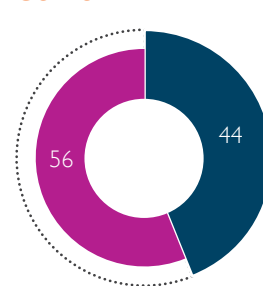
MultiChoice: Employment equity (%)

Race



■ Black
■ White
■ Foreign

Gender



■ Male
■ Female

Review of our performance

against our six types of capital (continued)

Broad-based black economic equity schemes

Four years ago shares in Phuthuma Nathi (PN) and Phuthuma Nathi 2 (PN2) (MultiChoice's BEE equity schemes) launched in 2006 and 2007, respectively) began trading on an over-the-counter (OTC) platform.

Welkom Yizani, Media24's BBBEE scheme launched in 2006, remains the biggest BEE share offer in the South African print media industry with around 90 000 shareholders. In 2013, the scheme began trading on an OTC platform.

In 2014 the Registrar of Securities Services (the Registrar) indicated that all traditional OTC trading platforms should regularise their affairs in terms of the Financial Markets (FM) Act, 2012.

As part of this process MultiChoice and Media24 have established Yizani Phuthuma Nathi (YPN) which has applied for an exchange licence to facilitate the trading of BBBEE shares issued by companies within the Naspers group. During this process, PN, PN2 and Welkom Yizani shares continue to trade on the current platform.



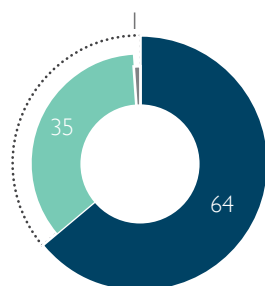
PN, PN2 and Welkom Yizani are exempted from complying with the FM Act for a period of six months after the Registrar's decision on whether or not to grant an exchange licence to YPN. PN, PN2 and Welkom Yizani continue to build on the positive engagement they have had with the Registrar and remain committed to complying with any directives and/or conditions issued by the Registrar.

PHUTHUMA NATHI
SHARE THE FUTURE

WELKOM YIZANI

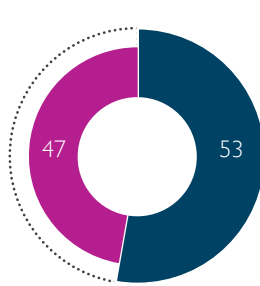
Media24: Employment equity (%)

Race



■ Black
■ White
■ Foreign

Gender



■ Male
■ Female

Review of our performance

against our six types of capital (continued)



Social and relationship, and intellectual capital

Our communities

We believe in building our communities. We therefore aim to be a responsible social citizen in the countries we operate in. We stimulate community development by generating economic and social gain in local communities. This includes developing critical skills for our businesses, our industry and ultimately, the communities we operate in. We continue to empower our teams to invest in local communities to foster growth and development.

Key corporate social investment (CSI) initiatives across the group are summarised below:

Entity	Number of projects	Beneficiaries (estimated)	Key initiatives
	10	162 100	• Red Nose • Earth Day network • Feed the Dog campaign
	3	3 200 250 800	• Aiming for Olympiad • We care • 140 beats per minute
	15	4 000 people, inclusive of donations to some 150 organisations	• Payroll giving with Give India • Dishaa Foundation • 17 000 Feet • Greensole Foundation • Superhero campaign
			• Takealot has a relationship with Beautiful Gate South Africa where donations are generated at checkout. This has raised over R2.2m for Beautiful Gate, an interdenominational Christian organisation providing care and support to vulnerable children and families in Cape Town.
	14	Equipment bought for hospitals in Poland (including treatment of sick children in these hospitals) Some 100 10 90 Some 100	• Great orchestra of Christmas charity event • Laptop donation • Cry Foundation • Winter blanket drive • Alternative education club
	12	525 players; 32 coaches; 36 production interns 20 interns 601 000 school children and 650 schools 268 staff members and a combined viewership of 18m viewers in the financial year	• MultiChoice Diski Challenge • M-Net Magic in Motion • SuperSport Let's Play • Community TV initiative
	2	The WeCan24 programme – our flagship programme that trains learners all over South Africa to become multimedia journalists – trained just over 2 600 learners from 240 schools. Media24 staffers participated in various projects during the year including painting a school hall, revamping classrooms and assisting in soup kitchens and food gardens and painting murals at schools, all part of the Media24 Volunteers24 initiative.	• We Can • Volunteers 24

In South Africa, a grant of R12m was made by Naspers to eDeaf, an entity that offers training and development opportunities to the deaf population.

Review of our performance

against our six types of capital (continued)

CASE STUDY / eMAG FOR EDUCATION

We invest in education through eMAG Foundation programmes.

This is important for the future development of the professional community. Three programmes are currently under way:

① **Aiming for Olympiad** – focused on children with potential in mathematics, physics and informatics to ensure they are trained by very competent teachers to develop their full potential in these key subjects. With 22 centres benefiting 3 200 children, this programme was judged by Business Review as the best community development initiative in 2016. Training centres are being opened in eight more cities across Romania.

② **We care** – reducing the school drop-out rate in the Romanian countryside, which is double the national rate of 18%. Six after-school centres have been opened in rural areas, benefiting 250 children. After three months, the children's general school performance improved as did attendance for 70% of participants. The programme is being extended to eight more schools in the current year.

③ **140 beats per minute** – the aim of this unique programme is to attract sedentary children to participate in sports (43% of Romanian children are not currently involved in sports at all). eMAG has supported nine triathlon and trail-running events specifically for children, six of which were new events facilitated by its support. Some 800 children attended supported events and the foundation will work with teachers to spread the message in schools. eMAG intends to roll out a national media campaign to underline the importance of practising sports, starting with early childhood.



Review of our performance

against our six types of capital (continued)

Local economic and community development

By its nature, our business generates economic and social gain in our local communities. In ecommerce, for example, we encourage people to buy and sell goods, enhance the trading experience, and secure the trust and safety of our users. Through all our activities, we develop local producers and contribute to each economy.

We are serious about our responsibility to address the needs of local communities, with key strategic approaches and initiatives summarised below:

Entity	Contribution
	The MultiChoice Enterprise Development Trust supports the growth of entrepreneurs in broadcasting and the wider ICT industry. The trust has invested in entrepreneurship development programmes, benefiting over 100 entrepreneurs (suppliers and non-suppliers).
	OLX group currently employs over 4 000 people worldwide, with local development opportunities. Over 90% of the workforce is hired locally and, in most entities, OLX group recruits local talent to manage businesses. When development opportunities arise, OLX group relocates local talent to open roles in other markets to further develop their skills and experience.
	eMAG has developed a dedicated third-party programme for small local businesses and 85% of employees are from Romania.
	Latin America: Preference for vendors with social or environmental orientation; employment opportunities focus on talent, not only education. India: Equal employment opportunities focused on skills, while rebalancing the gender ratio and not discriminating on factors unrelated to job role.
	- Supports the growth of small business, specifically enterprise and supplier development partners (Double Dutch Media and Clothes to Cash Exchange) by providing training, equipment, access to market and promotional opportunities. - Through its outsourced distribution and franchise network, On the Dot provides employment in local communities. - Expenditure: Through WeCan24 training, R850 000 outsourced to small businesses; R2.2m to support related initiatives through the Association of Independent Publishers (AIP); R430 000 in support for ThisAbility programme for people living with disabilities; and R245 000 on digital training for government communicators. - Local employment: Over 99% of Media24's employees are local, including all management levels. - Procurement: New BEE codes require companies to increase their spending with 51% black-owned and black-woman-owned businesses relative to total procurement expenditure. Specific targets have been set for each Media24 division to increase procurement from designated businesses.



Review of our performance

against our six types of capital (continued)

Responsible content

We aim to adhere to the codes of conduct stipulated by the BCCSA and those of regulators in our operating countries. Equally, it is vital to protect our reputation as a trustworthy online ecommerce business.

Selected examples of our approach in action are summarised below:

MultiChoice

- Set-top box: Parental control in place (locking age-restricted viewing of content and channels).
- On-air PG ratings/safety measure: If no age restriction is provided by supplier, system defaults to 18.
- Programming rated 16+: Rating remains visible throughout the programme.
- On-air advisories and classifications at the start of each programme.
- Promotion/advertising/sponsorship of alcohol excluded from children's or religious content.
- Timing and scheduling adhere to broadcast regulatory rules.

OLX group

- Closely monitors platforms to prevent inappropriate listings.
- Proactively provides guidance and advice to customers via platforms; promote campaigns to educate users in several countries.
- Each country follows applicable trading laws and regulations and OLX has its own list of restricted items, including alcohol, tobacco and pornography.
- Complaints can be directed to the customer service centre on each platform we operate.

Privacy and data security

In line with our commitment to create value for our users, we aim to protect the privacy of their data and other sensitive information. We comply with applicable laws on privacy protection, and incorporate these into the specific features of our products and services.

We recognise the strategic importance of properly managing privacy and security across the group. Beyond legal compliance, privacy and security programmes are also required to help preserve consumer trust, facilitate business-to-business (B2B) transactions, and to implement protection according to local and international standards.

Our group helps us manage privacy effectively. The group's privacy toolkit is benchmarked against international standards and includes required policies, vendor and partner management, employee training, legal compliance and an annual review, and verifications.

During the course of the year, data privacy briefings are held with business segment heads, along with role-specific training. Privacy awareness training for

all employees was launched on MyAcademy, the group's online learning platform.

The number of Certified Information Privacy Professionals (CIPPs) within the group has also increased. In advance of South Africa's new data protection law, Protection of Personal Information (POPI), coming into force, several South African attorneys participated in the Naspers Data Privacy Secondment Programme, which creates exposure to international data protection practice and privacy policies, contracting and partnership deals, security management and related topics. The programme culminates in the opportunity to obtain European Information Privacy Professional Certification.

IT security is approached as a risk-based exercise, and is addressed on a company-by-company basis under the IT governance charter. This charter describes how group companies should assess, manage, and report on their IT-related risk.

Group companies use best-practice frameworks (primarily COBIT,

complemented by other frameworks such as NIST, ISO 27001, and OWASP) to implement appropriate control measures.

The group's internal audit and risk management support helps businesses with their risk management activities through a dedicated IT risk management support team. In addition, and next to the companies' own security testing activities, this department has its own ethical hacking service that provides objective assessments of group companies' cyber-resilience.

In the payments segment, special attention is paid to the sensitivity of financial and transactional information. PayU has its own risk advisory committee that reports to the Naspers risk committee.

Review of our performance

against our six types of capital (continued)

Digital inclusion

We empower local trade in local communities. Access to information and communication technology is a prerequisite for our success for several reasons:

- To provide opportunities to connect digitally and to have a better-trained workforce.
- To build a pipeline of digital talent (especially developers and multimedia journalists).
- The overall performance of our digital operations depends on the number of internet participants.
- Promoting the role of our digital products in providing information and preserving equality.

Key initiatives supporting digital inclusion are summarised below:

Entity	Contribution
	• Our business depends on digital inclusion. We empower local trade within local communities. Access to information and communication technology is a prerequisite to our success.
	• South Africa: Employees donated laptops to a school to help learners with their studies. • Argentina: Donated computers and peripherals to a foundation to enable access to the internet and IT for disadvantaged people.
	• The Explora decoder enables African consumers to connect the primary screen to a library of digital content without the need for a broadband connection. The benefits are reflected in increased adoption of DStv Now by our customers. In addition, the new Explora decoder uses compression technology that reduces the size of download files to increase access to content for more users. • Subscribers, and the broader public, are reached through digital and social media marketing and tactical campaigns, designed to highlight digital offerings and attract non-subscribers into the base through digital channels. • In 2016 MultiChoice's open-innovation partnership with the Stellenbosch University resulted in the development of three entrepreneurial businesses engaged in data analytics, ecommerce and digital content creation. Other open-innovation partnerships are in the design phase. • MultiChoice engages with educational institutions (from high schools to post-graduate institutions) to host groups of scholars/students for discussion sessions, presentations, business tours and more. • Graduate employment and internship programmes operate throughout the video-entertainment group, including in the IT, broadcast technology and digital media units. These increase access for young people to digital technologies and the reality of digital video in the modern marketplace.
	• Graduate programme offers a one-year internship to 20 candidates in software engineering, multimedia journalism and marketing – Media24 identifies talent and helps participants bridge into formal employment. Over 65% of interns in the past year have been offered permanent jobs. • Partnered with CapaCiTi to train 17 black graduates in specific software stacks (or suites of programs), with internships offered to the best students. • Extensive digital media training for over 200 members of AIP, based mostly in rural areas. • Media24 has trained 25 South African government communicators in using digital media. • The WeCan24 project has provided training and access to a digital platform to schoolchildren around South Africa.

Review of our performance

against our six types of capital (continued)

Customer satisfaction

Satisfied customers are the lifeblood of our success, given that a large portion of our business depends on consumer-to-consumer (C2C) trade. Customer satisfaction is therefore a key business objective as it drives loyalty and retention.

Entity	Approach to customer satisfaction
	• OLX group has this year reorganised to a product-centric strategic approach – to ensure it is building products users love. • Success is measured by customer retention rates, mobile-app 'stickiness' and revenue per lister. OLX group also uses NPS to measure customer satisfaction. It conducts global brand-tracking surveys to understand what consumers think of the group and its brands. • Daily and monthly average user (DAU, MAU) metrics measure app user loyalty, which is growing.
	• Generate advocates and word-of-mouth to attract new clients. • Track customer feedback on transactional activities and identify areas of improvement. • Site-specific activities include: – continuously growing range of products – ongoing improvement of customer in-site experience – loyal client campaigns with special discounts/vouchers (in-site campaigns viewable only for loyal clients) – targeted communication through direct marketing with customers (newsletters, SMSs) – permanent call centre service (24/7) – expanded team and improved client waiting time – dedicated team for social media channel support on tracking orders – enhanced transactional communication – showrooms with sales consultants – diverse delivery options (eg showrooms in main cities, postal offices across country) – 30 days' free return – free courier delivery for orders over a stipulated amount – two-hour delivery option, and – NPS monitored weekly, current month, current financial year, and main touchpoints evaluated.
	• Three-pronged approach to keep customers satisfied: – extensive coverage of local payment methods – innovating with products and features, and – robust account management and customer support operations. • Managed on regional basis – monitored on NPS and tracking response times to merchant tickets. • Each region has its own targets that are regularly monitored.
	• Strategy, objectives and initiatives are in place to ensure customer satisfaction. • #Customer First strategy engrains customer experience into our organisational fabric. • #Customer First strategy and leadership are reinforcing customer centricity, as we drive change and invest in improving customers' experiences with DStv and GOtv. • Dedicated customer-experience teams are the guardians of the customer and our change champions. • Continually developing the capabilities and skills of our employees through appropriate training and recruiting the right staff. • Prioritised several customer-experience initiatives, particularly payments, self-service, social care, digital, customer relationship management and customer support. • Launched #99 programme across Africa to embed a customer-first approach, reinforce new behaviours through customer insights and immersion activities. • Initiated service-design thinking to drive fundamental change in our customer experiences. • Extended regular infield research to further understand our current landscape and customer needs.

Review of our performance

against our six types of capital (continued)

Natural capital

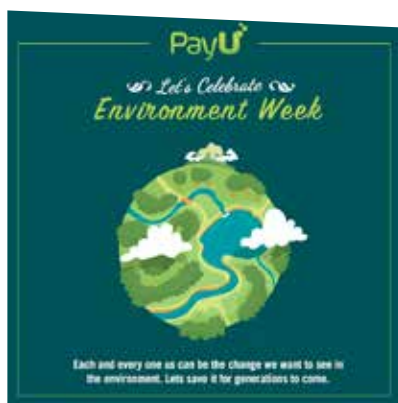
Environment

The group's diverse operations range from printing plants to transactional internet platforms. Each type of business has a unique effect on the environment, requiring appropriate mitigating responses. Equally, environmental impacts range from low (the bulk of our group) to high (our printing operations).

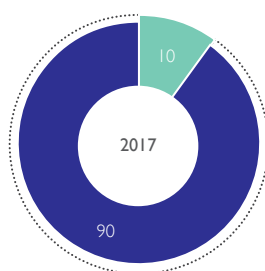
Carbon footprint

Our gross measured carbon footprint (scope 1 and 2) is 184 458 tonnes of CO₂e, of which scope 2 (electricity use) is 90% (2016: 176 131 tonnes CO₂e). Direct (scope 1 and 2) emissions were measured at locations across South Africa, the Netherlands, Nigeria and Russia. Power usage in the video-entertainment segment increased as a result of adding facilities and a satellite dish to its disaster recovery centre, the relocation of the call centre to the MultiChoice offices and the extension of the call centre's operating hours. Furthermore, additional technical training rooms were added to the facilities in Randburg.

Power outages are common in Africa, accounting for the group's high level of generator usage for electricity. Generator capacity in South Africa and Nigeria is regularly evaluated. While capacity is adequate, associated running and maintenance costs are substantially higher than standard electricity costs.

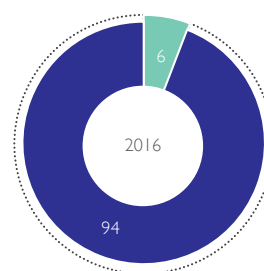


Naspers and Irdeto's office building, Hoofddorp, The Netherlands.



Carbon footprint

(%)
 Scope 1
 Scope 2



The South African print operations remain the largest contributor (65%) to the group's total measured carbon emissions.

The group manages its impact on the environment mainly by deploying technology and recycling initiatives at facilities and a shift from printed products to electronic formats. In South Africa options for alternative sources of energy (other than the current coal base) are limited.



MultiChoice City, Randburg, South Africa.



Review of our performance

against our six types of capital (continued)

Managing environmental impacts

Managing impact	Response
Risk assessments identify operations where direct impact on the environment is most significant.	• Our most direct impact on the environment is from Novus Holdings (57% of total carbon emissions). • The internet businesses inherently have a lower impact on the environment. Through some of their trading activities, they stimulate buying and selling used or recycled goods in a paperless environment.
We use advanced technologies to reduce impact on the environment where possible.	A number of initiatives support our sustainability campaign. Energy-efficiency initiatives in some businesses include: • movement-activated lights • energy-efficient air conditioners • consolidating data centres • power factor correction and load balancing, and • automatic hibernation of PCs. Naspers and Irdeto's office building in The Netherlands was designed and constructed as a green building. This sustainable building meets the GreenCalc score B. MultiChoice City in South Africa is Green Star-rated by the Green Building Council of South Africa.
Printing operations apply leading emission-reduction technology to minimise and responsibly dispose of waste.	Throughout Novus Holdings, equipment is in place to collect and recycle dust particles from the printing process. All dust and paper shavings are sucked via a vacuum system to the baller room. The shavings are baled for recycling and dust is compacted into tablets. There is no market yet for the compacted tablets, which go to landfill.
We monitor environmental compliance standards at our facilities and participate in third-party reviews.	Irdeto operates in line with ISO 9001 and ISO 27001, with its implementation of both standards regularly audited by an external certification body.
We measure and disclose our carbon footprint.	As disclosed above. No fines were received.
Where possible, we use environmentally responsible energy sources, invest in improving energy efficiency and design energy-efficient facilities.	Novus Holdings was the first African printing organisation to receive Forest Stewardship Council® (FSC®) FSC-C022948 chain-of-custody (CoC) certification. Novus Holdings also holds Programme for Endorsement of Forest Certification™ (PEFC™) at Paarl Media Cape, Paarl Media KZN and Novus Print Solutions. Both FSC® and PEFC™ are independent verifications that the products printed can be traced back from their point of origin to responsible, well-managed forestry, controlled and recycled resources.

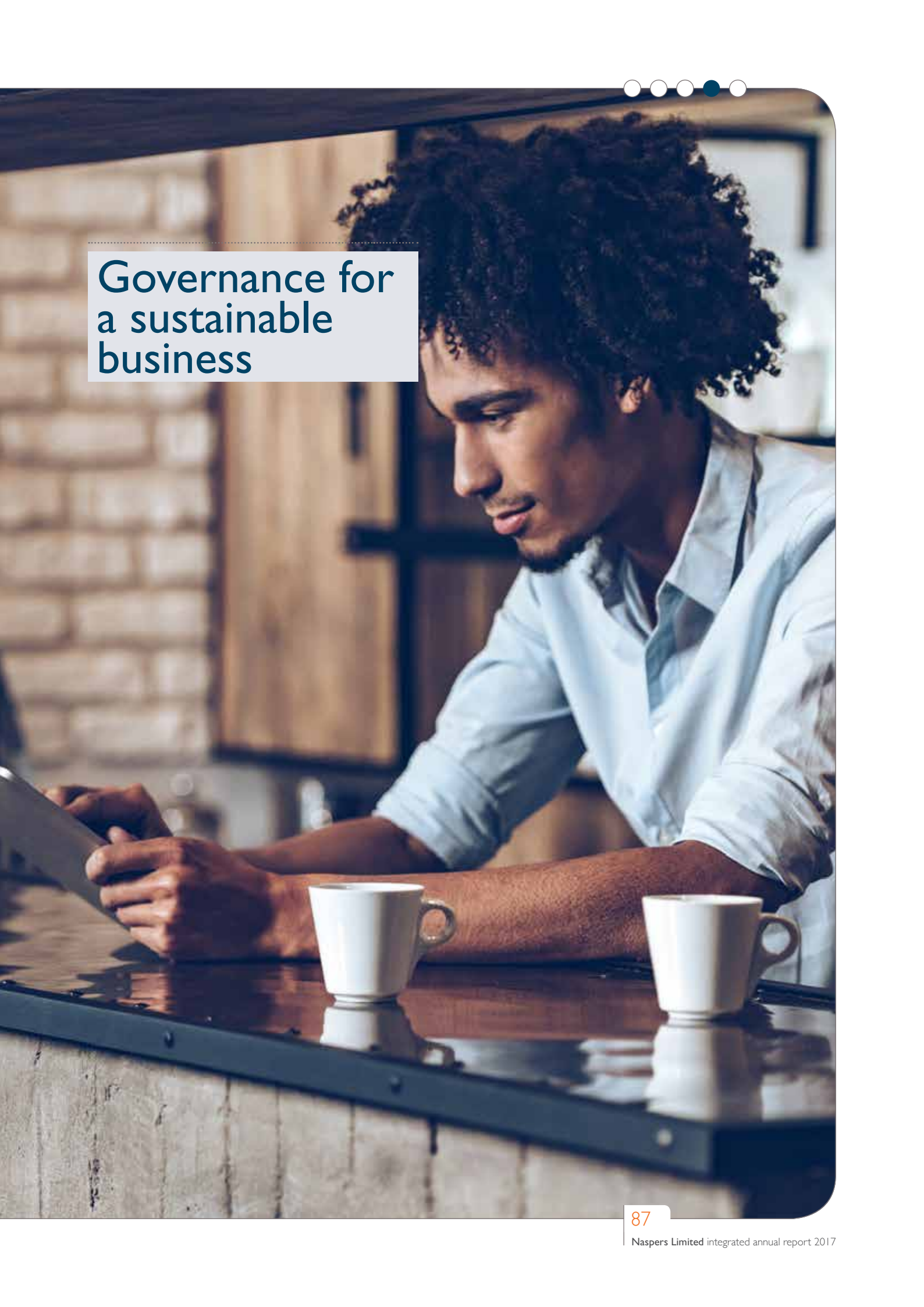
Review of our performance

against our six types of capital (continued)

Waste (recycle, reuse, electronic waste)

For sustainable environmental conservation, we all need to participate before we exhaust our natural resources. Across the group, recycling is important as waste in landfills has a serious impact on the environment.

Entity	Contribution
	'Environment wins' is one element of the OLX group brand proposition. This represents the nature of our classifieds' business: the environment wins as items gain second lives – reducing their ecological footprint.
	Installed recycling bins at head office and in the warehouse to raise awareness among employees.
	In their financial year ended December 2016, they replaced paper cups and plastic water bottles with ceramic/steel/glassware. Each employee was given a metallic water bottle with their names engraved.
	In various offices, we have recycling points and office certifications for resource efficiency.
	• A waste management company is employed to sort waste into cans, glass, K4 (cardboard), paper; plastic, landfill, and ewaste. • Certification is provided for all recycled items. • MultiChoice City received a Green Star rating: a state-of-the-art grey-water reticulation system that draws waste water from all showers, while a rainwater filter harvests water to wash toilets and irrigate gardens and trees. Heating and cooling systems and processes by which natural light is trapped and dispersed, save electricity. This is done through a modern roofing system over the atrium. • Customers also have the option to repair their decoder for less than the price of a new one.
	• Paper is pulped with some pulp repurposed in Novus's tissue operations. None of the Novus plants pulp paper on site. Paper waste is collected from site, by a service provider and delivered to Correll in bales. Currently 40% of paper waste in the group is used in the Correll site with a view to increasing this to 70% in the next financial year. • Unsold clothing stock reused, upcycled or recycled via Clothes to Cash Exchange. • Ewaste recycled via reputable service providers. • No refurbishment.

A man with dark, curly hair is seated at a dark wooden table, focused on his laptop. He is wearing a light blue button-down shirt. Two white ceramic coffee cups are placed on the table in front of him. The background is a blurred interior space with warm lighting and wooden elements. A white text box is overlaid on the left side of the image.

Governance for a sustainable business

Governance for a sustainable business

How we govern our business

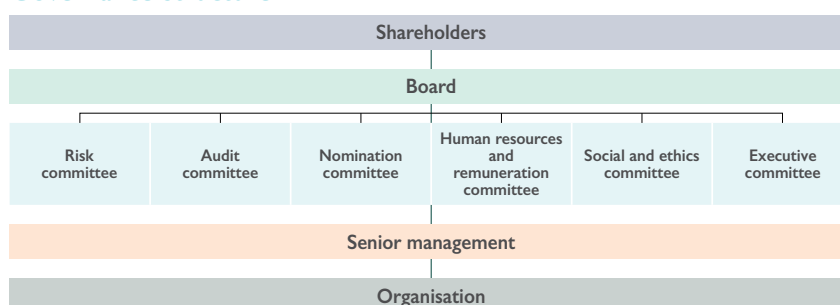
The board of directors conducts the group's business with integrity by applying appropriate corporate governance policies and practices. The group continues to enhance and align policies, systems and processes to embed sound corporate governance principles and ethical standards.

Compliance with the JSE Listings Requirements, applicable LSE Listings Requirements and the ISE Listings Requirements is monitored by the audit and risk committees of the board.

The board's executive, audit, risk, human resources and remuneration, nomination, and social and ethics committees fulfil key roles in ensuring good corporate governance. The group uses independent external advisers to monitor regulatory developments, locally and internationally, to enable management to make recommendations to the Naspers board on matters of corporate governance.

Our aim is to keep abreast of regulatory developments, further enhance our governance standards, monitor and ensure compliance with relevant laws and regulations, and cultivate a sound ethical business culture in the different geographies in which we operate. We also aim to maintain a high standard of reporting and disclosure, keeping in mind the best interests of our stakeholders, and disclosing what is relevant and material to the sustainability of the group.

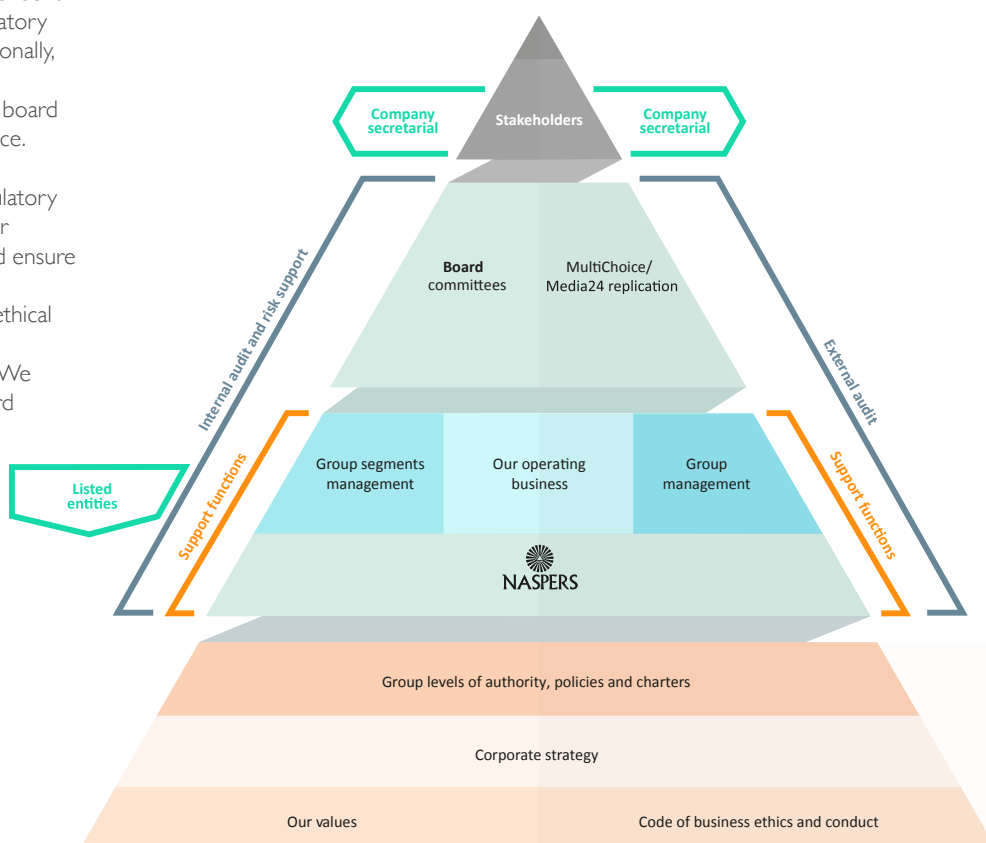
Governance structure



How we integrate governance into our business

Naspers recognises the value of an integrated approach to assurance and compliance. The adopted governance, risk and compliance framework continues to form the basis for how we manage governance.

The framework shows the achievement of a sustainable business integrated with governance, assurance, risk management and compliance, in accordance with legislated requirements and reported through the structures.





Governance for a sustainable business (continued)

The board confirms its compliance with specific governance requirements in the disclosures set out below:

Appointment, induction and ongoing training of directors	• Any appointment of a director is considered by the board on the recommendation of the nomination committee, to ensure a rigorous and transparent procedure. • The selection process involves considering the existing balance of skills and experience, and an ongoing process of aligning board composition with group strategy. • An induction programme for new directors is in place.
Board and committees' evaluation	• The performance of the board and its committees as a whole is appraised annually. The board determined that in terms of their charters, the board and its committees had fulfilled their mandates during the financial year under review. • The committees perform self-evaluations against their charters for consideration by the board. • The board evaluation process is carried out by the nomination committee. • The recent performance assessment indicated that the board and its committees are functioning effectively and efficiently.
Independence of non-executive directors	• The board comprises a majority of independent non-executive directors. • The board considered the issue of independence of directors at the time of its evaluation in accordance with King III. • An assessment, considering the salient factors and unique circumstances of each director, was performed for all directors. • The independence of non-executives who have served on the board for longer than nine years, was assessed.
Chair and chief executive	• No individual has unfettered powers of decisionmaking. The roles of the chair and chief executive are separate. • The chief executive is responsible for the day-to-day running of the group and implementing policies and strategies approved by the board. Chief executives of the various businesses assist him in this task. • Koos Bekker, a non-executive director, is chair of the board and Bob van Dijk, an executive director, is the chief executive. Fred Phaswana acts as lead director in all matters where there may be an actual or perceived conflict and where it would be inappropriate for the chair to deal with the matter concerned.
Prescribed officers	• Due to the nature and structure of the Naspers group and the number of executive directors on the board of the company, the directors have concluded that there are no prescribed officers.
Directors' service contracts	• Directors do not have fixed-term service contracts.
Directors' and officers' disclosure of interest in contracts	• No director had a material interest in any contract in which Naspers or any of its subsidiaries was a party during the financial year. • The directors had no interest in any third party or company responsible for managing any of the business activities of Naspers or any of its subsidiaries.
Conflict of interest	• The board recognises the importance of acting in the best interest of the Naspers group and protecting the legitimate interests and expectations of its stakeholders. • The board is aware of the requirements to disclose or avoid conflicts of interest. • Directors are required to declare their interests at least annually. The declaration of interests is a standing agenda point at each scheduled board meeting.

Governance for a sustainable business (continued)

Statutory powers

- General powers of the directors are set out in the memorandum of incorporation.
- The directors have further unspecified powers and authority for matters that may be exercised and dealt with, which are not expressly reserved to shareholders in the general meeting.

Insider trading

- The board-approved insider trading policy is applicable to all directors and employees of Naspers Limited and its controlled entities.
- Through appropriate procedures, the board aims to ensure that no director, manager, employee or nominees or members of their immediate family deal directly or indirectly in the securities of Naspers on the basis of unpublished price-sensitive information, nor during any embargo period determined by the board.
- The Listings Requirements of the JSE extend obligations on transactions in Naspers's securities to include those of any major subsidiary.
- Directors or officers of Naspers's major subsidiaries, whether wholly or partially owned, are also included in the list of directors, company secretary and other officers required to abide by the JSE Listings Requirements in relation to directors' dealings.

Company secretary and general counsel

- Gillian Kisbey-Green is the group company secretary, duly appointed by the board in accordance with the Companies Act. David Tudor, group general counsel, is Naspers's legal compliance officer. Both are responsible for guiding the board in discharging its regulatory responsibilities.
- The company secretary is available to provide a central source of guidance and advice on matters of business ethics and good governance and aims to provide the highest standard of compliance with statutory and regulatory requirements.

Application of and approach to King III

The board, its committees, and the boards and committees of subsidiaries MultiChoice and Media24 are responsible for ensuring the appropriate principles and practices of the King Code of Corporate Governance Principles and the King Report on Corporate Governance in South Africa (King III) are applied and embedded in the governance practices of group companies.

A disciplined reporting structure ensures the Naspers board is fully apprised of subsidiary activities, risks and opportunities. All controlled entities in the group are required to subscribe to the relevant principles of King III. Business and governance structures have clear approval frameworks.

Naspers has an internal control oversight forum comprising the chief financial officers (CFOs) and risk and internal audit managers of Naspers, Naspers Ecommerce, MultiChoice and Media24, the Naspers company secretary, the company secretaries of MultiChoice and Media24, the Naspers global governance partner and group general counsel. The forum was tasked to ensure the Naspers group's governance structures and framework are employed in the in-scope entities in the group during the financial year. Compliance and progress are monitored by the audit and risk committees and reported to the board.

For a review of Naspers's application of King III, go to www.naspers.com. 

Focus areas for 2018

Following the release of the King IV report in November 2016, we reviewed and interpreted King IV for the Naspers environment. King IV awareness initiatives and a review of the Naspers's board policies, charters and governance practices were the starting point. In the 2017/2018 financial year we will effect system and process changes to enable implementation of recommended or alternative practices to demonstrate application of King IV's principles. Focus areas for the 2018 financial year will include, but not be limited to, enhanced disclosures in the 2018 integrated annual report and continued focus on governance of information and technology, particularly information and technology security.



Human resources and remuneration committee report

for the year ended 31 March 2017

This is the report of the human resources and remuneration committee for the financial year ended 31 March 2017, appointed to fulfil the board's responsibility with regard to strategic human resources aspects of the group.

The committee has a charter that complies with the Companies Act and

King III requirements and is approved by the board.

Members of the committee and attendance at meetings

The committee comprises a minimum of three non-executive directors.

The chair of the committee is an independent non-executive director.

The chief executive, financial director and chief people officer attend meetings by invitation. The committee held five meetings during the past financial year.

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

Name of committee member	Five meetings were held during the year. Attendance:	Category
Koos Bekker	5	Non-executive
Rachel Jafta	5	Independent non-executive
Fred Phaswana	5	Independent non-executive
Cobus Stofberg ⁽¹⁾	4	Non-executive

Note

⁽¹⁾ Alternate.

Purpose

The main purpose of this committee is to assist the board in fulfilling its responsibility for the strategic human resources issues of the group, particularly the appointment, remuneration and succession of the most senior executives. Primary objectives include promoting superior performance; directing employees' energies to key business goals; achieving the most effective returns for employee spend; and addressing diverse needs across differing cultures.

Duties carried out

Naspers's remuneration strategy aims to attract, motivate and retain the best leaders, entrepreneurs, creative engineers and employees to create sustainable shareholder value.

Policies and practices align the remuneration and incentives for executives and employees to the group's business strategy.

It is the board, based on the recommendation from the human resources and remuneration committee, that approves the remuneration policy. Implementation is delegated to the Naspers human resources and remuneration committee. Subsidiary boards follow a similar practice, within the parameters of the Naspers remuneration policy.

Human resources and remuneration committee report

(continued)

We are confident that the design and structure of our remuneration policy continues to be appropriately aligned to and supports our business strategy going forward. The human resources and remuneration committee is aware of the incoming remuneration reporting requirements under King IV and has endeavoured to improve remuneration disclosure this year, in anticipation of applying the recommendations, as appropriate, of King IV in 2018. Shareholders will be asked to approve the remuneration policy set out in the remuneration report, through a non-binding advisory vote, at the 2017 annual general meeting.

During the financial year, the human resources and remuneration committee focused on:

- Gathering and analysing current and relevant industry reward trends to ensure that Naspers has a market-competitive remuneration policy, structure and tools to attract and

retain entrepreneurs and critical talent, particularly engineers and specialists. This included ensuring that the right pay-for-performance mix is applied; short-term bonuses are measurable and linked to the group's strategy and targets; aligning the terms of the group's various long-term share-based incentive schemes to industry norms; and setting parameters and criteria for allocations of share-based incentives based on individual performance.

- Considering independent external advice on non-executive directors' fees.
- Improving disclosure of executive remuneration in the integrated annual report in a bid for greater transparency.
- Thorough review of detailed succession plans to ensure plans are in place for top positions across the group that not only identify successors, but take into account diversity and talent with potential, including training/experience required.

Conclusion

Following the review by the committee for the year ended 31 March 2017, the committee is of the view that, in all material respects, the committee has complied with its remit. The board concurred with this assessment.

Having achieved its objectives for the financial year, the committee sets out the remuneration disclosure in the remuneration report, comprising our overarching remuneration policy for executive directors and non-executive directors and commentary on how it has been implemented during the year.



Rachel Jafta

Chair: Human resources and remuneration committee

23 June 2017



Remuneration report

for the year ended 31 March 2017

Remuneration policy

Naspers's biggest challenge is to attract, motivate and retain the best leaders, entrepreneurs, creative engineers, operators and support staff. That is the only way we can create shareholder value long term.

Policies and practices try to align the remuneration and incentives for executives and employees to the group's business strategy. Our companies are responsible for developing their own policies within the overall group remuneration framework and local laws, taking account of each company's needs. Naspers has an integrated and balanced approach to its reward strategy that aligns stakeholder interests. Accordingly, individual reward components are linked to business-specific value drivers of the group. Our primary objectives include directing employees' energies to key business goals and achieving the most effective returns for employee spend.

Group remuneration framework

Remuneration throughout the organisation has been designed to aid the recruitment and retention of vital skills in a competitive global market. Our three-tier remuneration structure provides a balance between:

- **Guaranteed fixed pay** for performing the contractual role.
- **Annual performance-related incentives** for achieving defined financial and operational targets (eg growth in consumer numbers, consumer satisfaction, etc). Whereas for executive directors these targets are set at a Naspers group level, for senior management these targets are closely linked to the performance of their specific business units.

- **Long-term incentives (LTI):** share option and appreciation rights (ARs) plans specific to the various businesses that we operate and/or Naspers N share options. These are awarded to senior management and other critical employees. Such plans create an alignment between executive pay and shareholder gains, with senior management being rewarded for their contribution to the value creation of their business unit or of Naspers as a whole. Share options/appreciation rights in relevant business units or Naspers N shares are awarded at market value on the day of the award and participants receive any increase above this market value over four or five years. The idea is therefore to incentivise them to create net new shareholder

value above the market value on the day of the award.

In some rare cases restricted stock units (RSUs) may be awarded to key contributors at a relatively junior level within the different business units. The inclusion of RSUs in our remuneration packages ensures that we are attracting and retaining critical talent, such as engineers and those with specialist skills, within highly competitive markets. RSUs are not available to senior management.

The remuneration package of our executive directors is designed to be principally focused on equity-based remuneration. This focuses them on long-term value creation and aligns their interests with that of shareholders.

Remuneration report (continued)

Executive directors

Executive directors' remuneration policy

Element and purpose	Operation	Performance	Maximum opportunity
Fixed pay Comprises base salary and additional benefits or total cost to company, depending on where the individual is located. Levels reflect the market value for the role and individual performance.	Fixed pay is delivered in the form of a base salary and additional benefits. Additional benefits include non-cash benefits and may include pension, medical insurance, etc. Levels are reviewed annually and assessed against business performance, the scope and nature of the role, relevant companies in the technology/media sectors and local economic indicators such as inflation, cost-of-living changes and the relevant labour market, to ensure they are fair, sensible and market competitive.	Performance of the group and the individual are key considerations when making increases to base salary and/or total cost to company.	There is no formal maximum limit but levels can vary year on year depending on business performance, market circumstances, employee benefits provider costs and individual circumstances.
Annual performance-related incentives To incentivise the achievement of financial, operational and personal objectives.	Senior management is eligible to receive annual performance-related awards under the discretionary annual performance-related incentive scheme. The performance-related incentive target for each executive is agreed annually in advance of the financial year, and is based on targets that are verifiable and aligned to the business's business plan, risk management policy and strategy. Where targets are not met at the end of the relevant financial year, no annual performance-related incentive is paid. Any annual performance-related incentive payouts received under the plan will be paid in cash. The committee may apply judgement to make appropriate adjustments to an individual's annual performance-related incentive.	Subject to financial performance measures, and specific operational and personal performance objectives which are tailored to each role.	Maximum annual performance-related incentive levels are set for executive directors.

Remuneration report (continued)

Element and purpose	Operation	Performance	Maximum opportunity
Long-term incentives Long-term incentive awards comprise a significant portion of total compensation. They align the interests of the executive directors and shareholders, aid in the creation of shareholder value over the long term, and ensure that the total compensation package for executive directors is competitive enough to attract and retain talent from the high-technology industry.	Awards are normally granted annually in the form of share options/appreciation rights in relevant business units or Naspers N shares, which creates an appropriate balance of incentives across the Naspers portfolio. The committee believes that using these types of awards directly aligns the interests of the executive and shareholder for each business unit and creates direct line of sight. Any share award is contingent on consistently strong individual performance. As executives and senior management receive only share options or appreciation rights, they must drive superior business performance, over the vesting period, in order to realise a gain. The vesting period for each award varies and is typically four or five years, with one quarter or one fifth of the award vesting annually. We have set award guidelines, including: not making awards during closed periods, no backdating, and there is no repricing or automatic regrating of underwater share options/appreciation rights.	Share options/appreciation rights in relevant business units or Naspers N shares are awarded at market value on the day of the award and participants receive any increase above this market value. Executive directors can receive the gain in the share price over a specified time period. Performance is therefore to create net new shareholder value above market value on the day of the award.	A cap applies to the number of share options/appreciation rights in relevant business units or Naspers N shares that may be awarded in aggregate and to any individual. This is determined with reference to business performance, external market levels, individual performance and the required pay mix for each executive director.

Recruitment policy

For any new executive director, the human resources and remuneration committee may grant share-based awards upon appointment. Any share-based award made upon appointment would be in the form of a sign-on award or is typically there to buy out share awards that were lost when leaving a previous employer. These awards may be made in addition to normal share-based awards made in the year.

Termination policy

There is no automatic entitlement to annual performance-related incentives or early vesting of share-based incentives if an executive director leaves the company. The treatment of annual

performance-related incentives and long-term incentive awards is subject to the set leaver provisions, as outlined in the scheme documentation. If an executive director resigns or is dismissed, there is no entitlement to any outstanding variable remuneration.

Service contracts

Executive directors' service contracts comply with terms and conditions of employment in the local jurisdiction. Contracts for executive directors do not contain golden parachute clauses and none automatically trigger a restraint payment. No executive director has a notice period of more than one year and a predetermined compensation on termination exceeding one year's salary and benefits.

Non-executive directors

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.

Non-executive directors' terms of appointment

The board has clear procedures for appointing and orientating directors. The nomination committee periodically assesses the skills represented on the board and determines whether these meet the company's needs. Annual self-evaluations are done by the board and its committees. Directors are invited to give their input in identifying potential candidates. Members of the nomination committee propose suitable

Remuneration report (continued)

candidates for consideration by the board. A fit and proper evaluation is performed for each candidate.

Retirement and re-election of directors

All non-executive directors are subject to retirement and re-election by shareholders every three years. Additionally, non-executive directors are subject to election by shareholders at the first suitable opportunity for interim appointments. The names of non-executive directors submitted for election or re-election are accompanied by brief biographical details to enable shareholders

to make an informed decision on their election. The reappointment of non-executive directors is not automatic.

Non-executive directors' remuneration policy

The fee structure for non-executive directors has been designed to ensure we appropriately compensate the expertise of our board, given the highly competitive markets we operate in, and the global competition we face.

Non-executive directors receive annual remuneration as opposed to a fee per meeting, which recognises their ongoing

responsibility for efficient control of the company. This is enhanced by compensation for services on group board committees and subsidiary boards, where a premium is payable to the chairs of boards and committees. Remuneration is reviewed annually, and is not linked to the company's share price or performance. Non-executive directors do not qualify for share allocations under the group's incentive schemes. Supported by independent advice, the human resources and remuneration committee makes its recommendations to the board, which annually recommends the remuneration of non-executive directors for approval by shareholders.

Implementation of the remuneration policy

Executive directors' remuneration

Executive remuneration is guided by the remuneration policy (refer to page 93) and tailored for individual companies.

Bob van Dijk (chief executive), Basil Sgourdos (financial officer) and Mark Sorour (chief investment officer), all receive a fixed salary. Base salary or total cost to company are effective 1 April 2016.

Annual performance-related incentive levels are set for each executive director. For Bob van Dijk, the annual performance-related incentive maximum is calculated based on 100% of base salary. For Basil Sgourdos, the cap is calculated at 75% of total cost to company and for Mark Sorour, whose incentives are based on deals and may thus be lumpy across various years, the maximum is 200% of total cost to company.

Long-term incentive (LTI) levels reflect the fair value of share awards made in the 2016/2017 financial year. The committee has looked to align the pay mix for each executive director for their role within Naspers.

Fixed pay

Executive director	Financial year	Fixed pay (US\$'000)	% change (excluding annual performance-related incentive, but including pension)	Actual annual performance-related incentive (US\$'000) ⁽¹⁾	Pension contribution paid on behalf of director to pension scheme (US\$'000)	Total (US\$'000)	LTI fair value (US\$'000) ⁽²⁾
Bob van Dijk ⁽³⁾	2016	1 028		568	77	1 673	0
	2017	1 104	11.2	973	125	2 202	10 403
Basil Sgourdos ⁽⁴⁾	2016	799		337	94	1 230	848
	2017	828	4.44	443	105	1 376	1 752
Mark Sorour ⁽⁴⁾	2016	582		1 199	298	2 079	1 308
	2017	682	4.0	1 718	233	2 633	958

Notes

⁽¹⁾ Annual performance-related incentive paid out in respect of each financial year.

⁽²⁾ The fair value of long-term incentives awarded during each financial year. Details of the separate awards can be found in the shareholding table on page 98.

⁽³⁾ The fixed pay figure for Bob van Dijk for FY16 includes base salary and allowances. There are no allowances in FY17.

⁽⁴⁾ For Basil Sgourdos and Mark Sorour fixed pay is equivalent to total cost to company.

Remuneration report (continued)

During the year, levels of base salary and total cost to company (where relevant) continued to vary across the jurisdictions where we operate. In determining any increases for executive directors we considered business performance and local economic indicators, overall movement in the local (and, where appropriate, regional and global) labour market. During the year group companies made contributions for executive directors to appropriate pension

schemes. The rate of contribution is variable and is considered in total compensation, based on the pensionable salary of these individuals.

Annual performance-related incentives

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 the human resources and remuneration committee. For Bob van Dijk and Basil Sgourdos these financial objectives had a weighting of 50% of maximum annual performance-related incentive and for Mark Sorour the weighting is 30% of maximum annual performance-related incentive.

The annual performance-related incentive outcomes relating to financial performance are summarised in the table below:

Financial objective	Bob van Dijk				Basil Sgourdos				Mark Sorour			
	FY16		FY17		FY16		FY17		FY16		FY17	
	Maximum %	Actual % achieved	Maximum %	Actual % achieved	Maximum %	Actual % achieved	Maximum %	Actual % achieved	Maximum %	Actual % achieved	Maximum %	Actual % achieved
Group financial results	50	28	50	50	25	12.5	25	25	5	2.5	15	15
Operational and personal objectives	50	37	50	38	25	14	50 ⁽²⁾	22.5	195	133.5	185	173
Total	100	65	100	88	50	39.5 ⁽¹⁾	75 ⁽²⁾	47.5	200	136	200	188

Notes

⁽¹⁾ Includes additional exceptional incentive awarded to recognise work on corporate financing of US\$100 000.

⁽²⁾ Includes 25% incentive related to corporate financing. There were no corporate financing transactions in FY17.

The operational and personal performance objectives are tailored to each role. The measures for Bob van Dijk are focused around the performance of specific business units. These include financial performance, customer acquisition and retention and other metrics indicating business growth.

Basil Sgourdos's operational and personal performance objectives are tailored towards his role as chief financial officer and include reporting, budget and planning, funding, control environment, taxation and governance performance objectives.

Mark Sorour is responsible for mergers, acquisitions and divestitures and therefore holds a role with a direct and significant impact on the group's success. Therefore, 70% of his annual performance-related incentive is subject to a matrix whereby various deals attract different performance objectives.

Annual performance-related incentives will continue to be measured against a combination of financial objectives and operational and personal objectives which are chosen to be specific for each role's annual focus.

Long-term incentives

The mix of LTI between Naspers N options and appreciation rights in the underlying businesses aligns executive remuneration with shareholder returns over time. It is important to note that executive directors receive Naspers N share options/appreciating rights only at market value (which means that the incentive will only contribute if new value is created for the company), and do not receive any restricted stock units.

Remuneration report (continued)

Awarded during the financial year

During the year a number of share options/appreciation rights in relevant business units and Naspers N ordinary shares were awarded to the executive directors. The value of these awards is outlined below:

	Naspers N options		Appreciation rights	
	Number of options	Fair value (US\$'000)	Number of appreciation rights	Fair value (US\$'000)
Bob van Dijk	147 906	10 403	0	0
Basil Sgourdos	9 691	740	162 999	1 012
Mark Sorour	7 787	595	58 263	363

Full details of awards offered during the financial year are included in the table that provides details of directors' participation in the group's share incentive schemes outstanding (not yet released) at 31 March 2017 and in note 17: Related party transactions and balances on pages 72 to 74 of the consolidated annual financial statements. 

Executive directors had a combination of share options/appreciation rights in relevant business units and Naspers N shares vesting (released) to them during the year; as outlined in the table below.

Awards released during the period 1 April 2016 to 31 March 2017

	Naspers N options		Appreciation rights	
	Number of options	Fair value (US\$'000)	Number of appreciation rights	Fair value (US\$'000)
Bob van Dijk	284 031	10 551	1 606 333	8 264
Basil Sgourdos	27 325	415	10 793	57
Mark Sorour	53 347	1 011	38 564	249

Full details of the individual awards released in FY17 can be found in Annexure A of this report, on pages 103 and 104.

Remuneration report (continued)

Outstanding awards not yet released

Outstanding share awards not yet released, including those made within the financial year, are summarised in the table below:

	Naspers N options		Appreciation rights	
	Number of options	Fair value (US\$'000)	Number of appreciation rights	Fair value (US\$'000)
Bob van Dijk	715 969	34 027	4 819 006	28 974
Basil Sgourdos	69 583	2 927	206 175	1 286
Mark Sorour	113 875	4 402	182 084	1 257

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.

Full details of directors' participation in the group's share incentive schemes outstanding (not yet released) at 31 March 2017 can be found in note 17: Related party transactions and balances on pages 72 to 74 of the consolidated annual financial statements. 

Group share-based incentive schemes

The group's share-based incentive schemes are set out in equity compensation benefits in the notes to the annual financial statements on www.naspers.com. 

At 31 March 2017 the group held 3 293 211 (2016: 3 393 909) Naspers N ordinary shares as treasury shares

to settle outstanding options under certain group share incentive schemes. The expected dilutive effect of these treasury shares on the group's earnings, on a per-share basis, was 2 US cents per N ordinary share (2016: 1 US cent).

In accordance with schedule 14 of the JSE Limited Listings Requirements and the South African Companies Act, at the annual general meeting in August 2011

shareholders approved that up to 40 588 541 Naspers N ordinary shares (some 10% of Naspers's N ordinary share capital at 31 March 2010) may be issued for the group's share-based incentive schemes. During the financial year to 31 March 2017, 345 138 new N ordinary shares had been so issued, resulting in a total of 29% of the approved 40 588 541 Naspers N ordinary share capital being used to date.

Remuneration report (continued)

Non-executive directors

Non-executive directors' fees

Using the services of an external consultant, two points of reference are used to develop a proposal for non-executive directors' fee structure:

- board compensation of Naspers's industry peers internationally, ie competitors in the same broad field and of relevant scale, and
- average board compensation of the Top 10 JSE companies.

Non-executive directors' fees reflect a 5% year-on-year increase for FY18. This was approved by shareholders at the annual general meeting in August 2016. The proposal for FY19, details of which are included in the notice of the annual general meeting on page 114 of this report, is an increase of up to 5% year on year.

		31 March 2017 US\$	31 March 2018 US\$
Board			
Chair		430 000	452 000
Member		172 000	180 800
<i>Daily fees when travelling to and attending meetings outside home country</i>		3 500	3 500
Committees			
Audit committee	Chair	106 050	111 350
	Member	42 420	44 540
Risk committee	Chair	63 000	66 150
	Member	25 200	26 460
Human resources and remuneration committee	Chair	74 550	78 250
	Member	29 820	31 300
Nomination committee	Chair	40 163	42 175
	Member	16 065	16 870
Social and ethics committee	Chair	55 125	57 875
	Member	22 050	23 150
Other			
Trustee of group share schemes/other personnel funds		R46 400	R48 720

The non-executive chair does not receive additional remuneration for attending meetings, or being a member of or chairing any committee of the board, or attending Tencent board and committee meetings.

Remuneration report (continued)

Non-executive directors' fees (continued)

Non-executive directors' emoluments for the financial year to 31 March 2017

Non-executive directors	2017							2016						
	Directors' fees		Committee and trustee fees		Other fees ⁽²⁾			Directors' fees ⁽¹⁾		Committee and trustee fees		Other fees		
	Paid by company	Paid by subsidiary	Paid by company	Paid by subsidiary	Paid by company	Paid by subsidiary	Total 2017	Paid by company	Paid by subsidiary	Paid by company	Paid by subsidiary	Paid by company	Paid by subsidiary	Total 2016
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
J P Bekker	504	20	–	–	–	–	524	480	20	–	–	–	–	500
H J du Toit ⁽¹⁾	–	–	–	–	–	–	–	–	–	–	–	–	–	–
C L Enenstein ⁽²⁾	246	–	–	–	–	50	296	217	–	–	–	–	50	267
D G Eriksson	218	47	224	36	–	–	525	206	46	209	35	–	–	496
G Liu ⁽¹⁾	232	–	–	–	–	–	232	–	–	–	–	–	–	–
R C C Jafta	218	61	180	26	–	–	485	206	59	161	9	–	–	435
F L N Letele ⁽²⁾	218	–	22	–	–	275	515	206	–	21	–	–	–	227
D Meyer	218	20	22	12	–	–	272	192	20	21	11	–	–	244
R Oliveira de Lima ⁽²⁾	232	–	–	–	–	50	282	231	–	–	–	–	50	281
S J Z Pacak ⁽²⁾	246	31	25	14	–	187	503	234	35	24	15	–	185	493
T M F Phaswana	242	–	46	–	–	–	288	234	–	42	–	–	–	276
J D T Stofberg	221	–	–	–	–	–	221	234	–	–	–	–	–	234
B J van der Ross	218	–	68	–	–	–	286	206	–	64	–	–	–	270
	3 013	179	587	88	–	562	4 429	2 646	180	542	70	–	285	3 723

Notes

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

⁽²⁾ Compensation for assignments.

General notes

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.

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.

Remuneration report (continued)

Directors' interest in Naspers shares

The directors of Naspers have the following interests in Naspers A ordinary shares on 31 March 2017:

Name	31 March 2017			31 March 2016		
	Naspers A ordinary shares			Naspers A ordinary shares		
	Beneficial			Beneficial		
	Direct	Indirect	Total	Direct	Indirect	Total
J D T Stofberg	–	166	166	–	166	166

General note

Koos Bekker and Cobus Stofberg each have an indirect 25% interest in Wheatfields 221 Proprietary Limited, which controls 1 68 605 Naspers Beleggings (RF) Beperk ordinary shares, 1 6 860 500 Keeromstraat 30 Beleggings (RF) Beperk ordinary shares and 133 350 Naspers A ordinary shares. No other director of Naspers had any direct interest in Naspers A ordinary shares at 31 March 2017 or 31 March 2016.

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

Name	31 March 2017			31 March 2016		
	Naspers N ordinary shares			Naspers N ordinary shares		
	Beneficial			Beneficial		
	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	–	–	–	–	–	–
G Liu ⁽¹⁾	–	–	–	–	–	–
F L N Letele	737	–	737	737	–	737
D Meyer	–	–	–	–	–	–
R Oliveira de Lima	–	–	–	–	–	–
S J Z Pacak ⁽²⁾⁽⁴⁾	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 ⁽⁴⁾	–	59 277	59 277	–	31 952	31 952
M R Sorour ⁽³⁾⁽⁴⁾	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 ⁽⁴⁾	–	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 Services fz Ilc Share Trust (formerly 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 Services fz Ilc Share Trust (formerly MIH (Mauritius) Limited share trust). On 15 December 2016, 32 125 Naspers N ordinary shares were delivered to Steve upon payment of the amount of R5 621 875.00 to the MIH Services fz Ilc Share Trust (formerly 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's spouse purchased 117 Naspers N ordinary shares at an average market price of R2 142.99 per share. Mark'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.

⁽⁴⁾ Includes Naspers N ordinary shares that have been released in terms of the MIH Services fz Ilc Share Trust (formerly the MIH (Mauritius) Limited share trust) and the MIH Holdings Share Trust.

On 21 April 2017 Emilie Choi was appointed an independent non-executive director. Emilie 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.

Remuneration report (continued)

Annexure A Long-term incentives

Awards released during the period 1 April 2016 to 31 March 2017

Name	Incentive scheme	Offer date	Release date	Number of ARs	Purchase price	Value of option ⁽¹⁾
M R Sorour ⁽²⁾	MIH Holdings Share Incentive Scheme (Naspers shares)	19/09/2011	19/09/2016	11 128	R350.00	R175.85
	MIH Holdings Share Incentive Scheme (Naspers shares)	02/07/2012	02/07/2016	18 539	R436.83	R176.49
	MIH Holdings Share Incentive Scheme (Naspers shares)	11/07/2013	11/07/2016	13 680	R770.00	R276.34
	MIH Holdings Share Incentive Scheme (Naspers shares)	28/03/2014	28/03/2017	10 000	R1 155.00	R483.39
	Flipkart Limited SAR	10/09/2014	10/09/2016	617	US\$63.64	US\$21.20
	Flipkart Limited SAR	11/09/2015	11/09/2016	942	US\$63.64	US\$19.81
	Naspers Global Ecommerce SAR	12/09/2014	12/09/2016	13 493	US\$15.58	US\$4.48
	Naspers Global Ecommerce SAR	17/09/2015	17/09/2016	8 606	US\$18.59	US\$4.99
	MIH China/MIH TC 2008 SAR	17/01/2014	17/01/2017	8 000	US\$42.95	US\$10.43
	SimilarWeb Limited SAR	10/09/2014	10/09/2016	344	US\$1.45	US\$0.44
	SimilarWeb Limited SAR	17/09/2015	17/09/2016	1 497	US\$6.68	US\$2.37
	Konga SAR	11/09/2015	11/09/2016	1 166	US\$8.57	US\$2.67
	Showmax SAR	18/09/2015	18/09/2016	2 222	US\$18.00	US\$7.87
	Souq SAR	11/09/2015	11/09/2016	583	US\$17.15	US\$3.80
	Takealot SAR	11/09/2015	11/09/2016	1 094	R111.04	US\$41.90

Remuneration report (continued)

Name	Incentive scheme	Offer date	Release date	Number of ARs	Purchase price	Value of option ⁽¹⁾
V Sgourdos	MIH Services fz llc Share Trust (formerly MIH (Mauritius) share incentive scheme) (Naspers shares)	19/09/2011	19/09/2016	7 082	R350.00	R171.45
	MIH Services fz llc Share Trust (formerly MIH (Mauritius) share incentive scheme) (Naspers shares)	02/07/2012	02/07/2016	11 123	R436.83	R169.68
	MIH Services fz llc Share Trust (formerly MIH (Mauritius) share incentive scheme) (Naspers shares)	11/07/2013	11/07/2016	9 120	R770.00	R289.65
	Naspers Global Ecommerce SAR	17/09/2015	17/09/2016	9 682	US\$18.59	US\$4.99
	Showmax SAR	18/09/2015	18/09/2016	1 111	US\$18.00	US\$7.87
B van Dijk	MIH Services fz llc Share Trust (formerly MIH (Mauritius) share incentive scheme) (Naspers shares)	11/07/2013	11/07/2016	6 698	R770.00	R289.65
	MIH Services fz llc Share Trust (formerly MIH (Mauritius) share incentive scheme) (Naspers shares)	28/03/2014	28/03/2017	277 333	R1 155.00	R503.76
	Flipkart Limited SAR	10/09/2014	10/09/2016	73 170	US\$63.64	US\$21.20
	Naspers Global Ecommerce SAR	12/09/2014	12/09/2016	1 493 226	US\$15.58	US\$4.48
	SimilarWeb Limited SAR	10/09/2014	10/09/2016	39 937	US\$1.45	US\$0.44

Notes

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

⁽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.



Nomination committee report

for the year ended 31 March 2017

This is the report of the nomination committee for the financial year ended 31 March 2017.

The committee has a charter approved by the board.

Members of the committee and attendance at meetings

The committee comprises a minimum of three non-executive directors, the majority of whom are independent. The chair of the committee is the chair of the board. The chief executive, financial director, and chief people officer attend

the meetings by invitation. The committee held five meetings during the past financial year.

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

Name of committee member	Five meetings were held during the year. Attendance:	Category
Koos Bekker	5	Non-executive
Rachel Jafta	5	Independent non-executive
Fred Phaswana	5	Independent non-executive (lead independent)
Cobus Stofberg ⁽¹⁾	4	Non-executive

Note

⁽¹⁾ Alternate.

Purpose

The key responsibilities of the committee include, but are not limited to, assisting the board to determine and regularly review the size, structure, composition and effectiveness of the board and its committees in the context of the company's strategy.

Duties carried out

The duties completed by the committee this financial year have included:

- Assessment of the composition of the board to execute its duties effectively.
- Developing a diversity policy at board level that encompasses aspects of diversity, including, but not limited to, making good use of differences in the skills, geographical and industry experience, background, race, gender and other distinctions between members of the board. No specific

targets have been set in terms of race or gender. The diversity policy was approved by the board in November 2016. Following the approval by the board of the diversity policy, the recommendation of the appointment of an independent non-executive director, Emilie Choi, to the board (effective 21 April 2017) and to the risk committee was considered and recommended to the board. The appointment was approved by the board.

- The review and recommendation of the audit committee members to the annual general meeting for shareholder approval.
- The effectiveness of the board, its members and the committees is assessed through a board evaluation process.
- A formal succession plan is developed for the chief executive officer and senior management.

Conclusion

Following the review by the committee for the year ended 31 March 2017, the committee is of the view that, in all material respects, the committee has fulfilled its remit for the financial year.

Koos Bekker

Chair: Nomination committee

23 June 2017

Social and ethics committee report

for the year ended 31 March 2017

The purpose of this report is to outline how the social and ethics committee has discharged its responsibilities as set out in section 72 of the South African Companies Act No 71 of 2008, as amended (the Act), and regulation 43 of the Companies Regulations 2011 (the regulation), issued in terms of the Act.

Members of the committee and attendance at meetings

The social and ethics committee comprises non-executive and executive directors, and certain key members of management. This committee met three times during the financial year. The company secretary also acts as the secretary of the committee. The chair

of the board, general manager: finance, head of risk management support and internal audit, and group general counsel attend the meetings by invitation.

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

Name of committee member	Three meetings were held during the year. Attendance:	Category
Don Eriksson	3	Independent non-executive
Rachel Jafra	3	Independent non-executive
Nolo Letele ⁽¹⁾	3	Executive
Debra Meyer	3	Independent non-executive
Basil Sgourdos	3	Executive
Bob van Dijk	3	Executive
Esmaré Weideman	3	Executive

Note

⁽¹⁾ Appointed on 22 March 2017 as acting chief executive of the MultiChoice South Africa group.

Responsibilities

The committee's responsibilities cover the group's South African operations: Naspers, MultiChoice, Media24 and MIH e-commerce Holdings. Its mandate, set out in its charter, is aligned with the committee's statutory responsibilities as set out in the regulation. The committee monitors:

- Social and economic development, including the company's status against the goals and purposes of the:
 - 10 principles in the United Nations Global Compact
 - Organisation for Economic Co-operation and Development (OECD) recommendations on corruption
- Employment Equity Act, and
- Broad-based Black Economic Empowerment Act.
- Corporate citizenship, including the company's:
 - promotion of equality, prevention of unfair discrimination, and reduction of corruption
 - contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed, and
 - record of sponsorship, donations and charitable giving.
- Environmental, health and public safety matters, including the impact of the company's activities and of its products or services.
- Consumer relationships, including the company's advertising, public relations and compliance with consumer protection laws.
- Labour and employment, including:
 - the company's standing in terms of the International Labour Organization Protocol (ILO) on decent work and working conditions, and
 - the company's employment relationships and its contribution toward the educational development of its employees.
- Matters within its mandate to be brought to the attention of the board as the occasion requires.
- Matters within its mandate to be reported to shareholders.



Social and ethics committee report

for the year ended 31 March 2017

(continued)

Discharge of responsibilities

The committee reviewed:

- Employment equity plans for its South African businesses.
- Performance in regard to BEE as measured against the Department of Trade and Industry's generic BBBEE scorecard.
- Skills and other development programmes aimed at the educational development of its employees.
- Employment philosophy and how it is founded on promoting equality and preventing unfair discrimination.
- Labour practices and policies, and how these compare to the ILO protocol on decent working conditions.
- Corporate social investment programmes, including details of donations and charitable giving.
- The progress of the South African businesses in addressing the principles of the UN Global Compact and OECD.
- Consumer relationships, including the company's advertising, public relations, and compliance with consumer protection laws.

- Overlap of responsibilities with other board committees and how they have been discharged.
- A register that addresses our social impact and business ethics and the statutory responsibilities of the committee associated with the South African companies, including combined assurance responses.

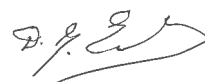
Conclusion

The committee is of the view that the group takes its environmental, social and governance responsibilities seriously. Appropriate policies, plans and programmes are in place to contribute to social and economic development, good corporate citizenship, environmental responsibility, fair labour practices and good consumer relations.

No substantive non-compliance with legislation and regulation, or non-adherence with codes of best practice, relevant to the areas within the committee's mandate, has been brought to its attention. Based on its monitoring activities to date, the committee has no reason to believe that any such non-compliance or non-adherence has occurred.

The committee recognises that the areas within its mandate are evolving and that management's responses too will adapt to changes in the environmental, social and governance agenda.

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: Social and ethics committee

23 June 2017

Audit committee report

for the year ended 31 March 2017

The audit committee submits this report, as required by section 94 of the South African Companies Act 71 of 2008 (the Act).

Functions of the audit committee

The committee has adopted formal terms of reference, delegated by the board of directors, as set out in its charter. It has discharged the functions in terms of its charter and 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 an 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'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 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
Don Eriksson	CTA (Wits) and CA(SA)	4	Independent non-executive
Rachel Jafta	MEcon and PhD (SU)	4	Independent non-executive
Ben van der Ross	Dip Law (UCT)	4	Independent non-executive

Audit committee report (continued)

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.

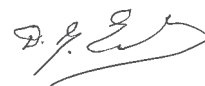
Expertise and experience of the financial director and the finance function

As required by the JSE 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

Risk committee report

for the year ended 31 March 2017

This is the report of the risk committee for the financial year ended 31 March 2017. The committee's purpose is to assist the board to discharge its responsibilities with regard to the governance of risk through formal processes, including an enterprise-wide risk management process and system.

Purpose

We have integrated King III recommendations, and these along with identified group requirements make up the overall function of the committee, being:

- Reviewing and approving the risk management policy and plan developed by management.

- Monitoring implementation of the risk management policy and plan.
- Making recommendations to the board concerning risk indicators, levels of risk tolerance and appetite.
- Monitoring that risks are reviewed by management and ensuring that risk management assessments are performed regularly by management.

Further detail is included in the full corporate governance report on www.naspers.com. 

Members of the risk committee and attendance at meetings

The committee is appointed by the board. During the financial year, the risk committee consisted of three independent non-executive directors, one non-executive director, as well as the chief executive and financial director, and meets at least three times per year in accordance with its charter. The chair of the board, general manager: finance, group general counsel and the head of risk management support and internal audit attend the meetings by invitation. During the year under review four meetings were held.

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

Name of committee member	Four meetings were held during the year.	Category
	Attendance:	
Don Eriksson	4	Independent non-executive
Rachel Jafta	4	Independent non-executive
Steve Pacak	4	Non-executive
Basil Sgourdos	4	Executive
Ben van der Ross	4	Independent non-executive
Bob van Dijk	4	Executive

Subsequent to the year-end, Emilie Choi was appointed as a new member of the risk committee on 21 April 2017. All risk committee members served on the committee for the full financial year.

Key areas of focus

The committee assists the board in recognising all material risks to which the group is exposed and ensuring that the culture, policies and systems are implemented and functioning effectively. Management is accountable to the board for implementing and monitoring the processes of risk management and integrating this into day-to-day activities. Risk committees are established at MultiChoice and Media24. During the financial year, a PayU risk advisory committee was established by the risk committee to ensure that PayU management receives external

independent advice and to act as an independent guardian to the risk committee on PayU-related matters. PayU risk advisory committee comprises four executive members and three (or more) non-executive members. These committees report to the Naspers risk committee.

An ongoing enterprise-wide risk assessment process supports the group. This ensures risks are adequately identified, evaluated and managed at the appropriate level in each business, and that their individual and joint impact on the Naspers group is considered. Internal audit assists in evaluating the effectiveness of the risk management process and comments on this in its own assessment report.

Discharge of responsibilities

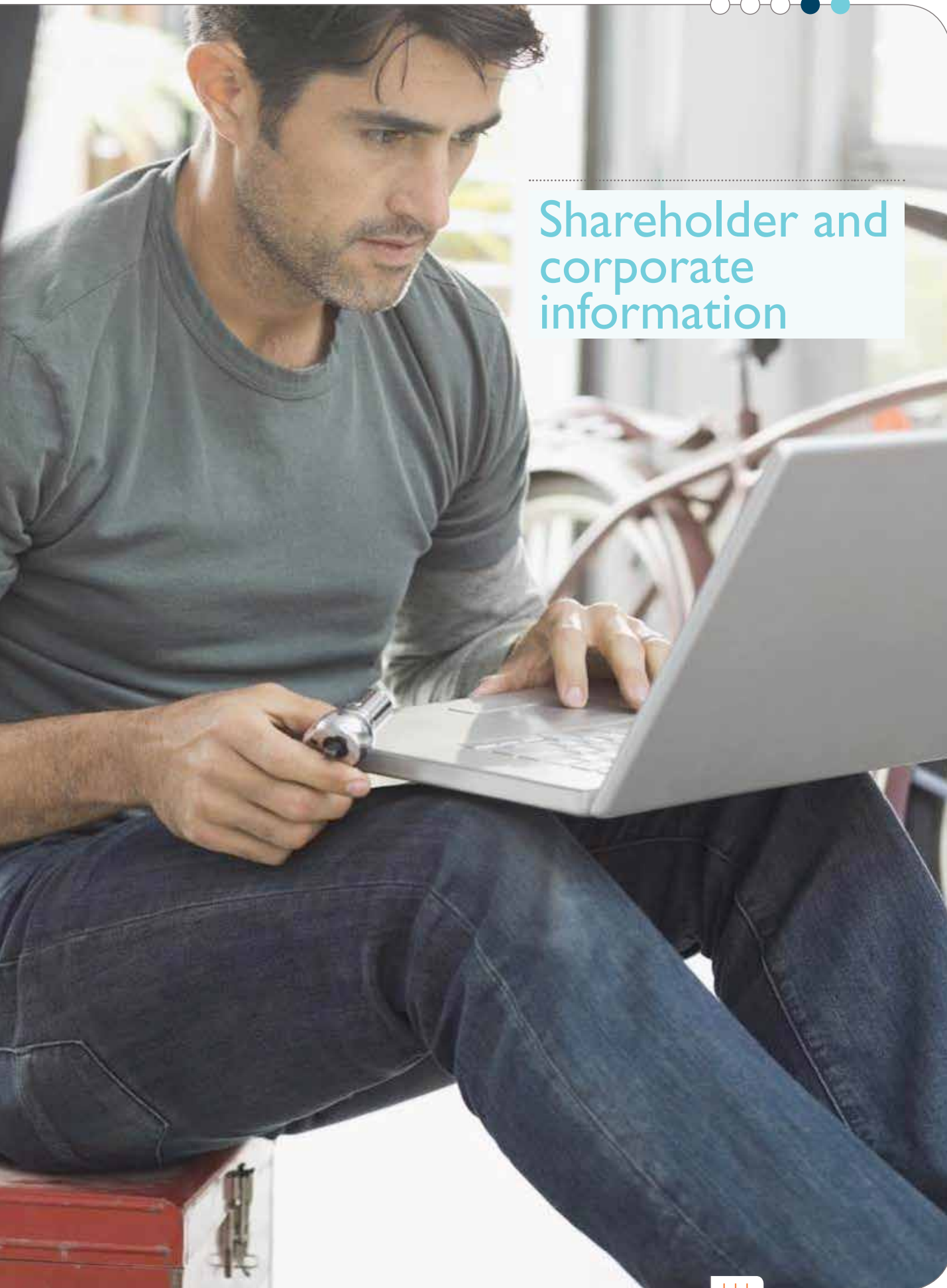
The committee determined that, during the financial year under review, it had discharged its responsibilities as outlined in terms of its remit, details of which are included in the full corporate governance report on www.naspers.com.  The board concurred with this assessment.

The committee has presented the risk summary within the integrated annual report on page 26.



Don Eriksson
Chair: Risk committee

23 June 2017



Shareholder and corporate information



Administration and corporate information

Company secretary

Gillian Kisbey-Green
MultiChoice City
144 Bram Fischer Drive
Randburg 2194
South Africa
Gillian.Kisbeygreen@naspers.com

Registered office

40 Heerengracht
Cape Town 8001
South Africa
PO Box 2271
Cape Town 8000
South Africa
Tel: +27 (0)21 406 2121
Fax: +27 (0)21 406 3753

Registration number

1925/001431/06
Incorporated in South Africa

Auditor

PricewaterhouseCoopers Inc.

Transfer secretaries

Link Market Services South Africa
Proprietary Limited
(Registration number: 2000/007239/07)
PO Box 4844
Johannesburg 2000
South Africa
Tel: +27 (0)11 630 0800
Fax: +27 (0)11 834 4398

ADR programme

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

Sponsor

Investec Bank Limited
(Registration number: 1969/004763/06)
PO Box 785700, Sandton 2146
South Africa
Tel: +27 (0)11 286 7326
Fax: +27 (0)11 286 9986

Attorneys

Werksmans Inc.
PO Box 1474
Cape Town 8000
South Africa

Webber Wentzel (in alliance with Linklaters)
PO Box 61771
Marshalltown
Johannesburg 2107
South Africa

Investor relations

Meloy Horn
InvestorRelations@naspers.com
Tel: +27 (0)11 289 3320
Fax: +27 (0)11 289 3026

Analysis of N ordinary shareholders at 31 March 2017

Analysis of N ordinary shareholders

Size of holdings	Number of shareholders	Number of N ordinary 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
	81 729	438 265 253

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

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

Public shareholder spread (N ordinary shares)

To the best knowledge of the directors, the spread of public shareholders in terms of section 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

Notice of annual general meeting

Notice is hereby given in terms of the Companies Act No 71 of 2008, as amended (the Act), that the 103rd annual general meeting of Naspers Limited (the company or Naspers) will be held on the 17th floor of the Media24 Centre, 40 Heerengracht in Cape Town, South Africa on Friday 25 August 2017 at 11:15.

Record date, attendance and voting

The record date for the meeting (being the date used for the purpose of determining which shareholders are entitled to participate in and vote at the meeting) is 11 August 2017.

Votes at the annual general meeting will be taken by way of a poll and not on a show of hands.

A shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, participate in and vote at the meeting in the place of the shareholder. A proxy need not be a shareholder of the company.

Before any person may attend or participate in a shareholders' meeting, that person must present reasonably satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of that person to participate and vote, either as a shareholder, or as a proxy for a shareholder, has been reasonably verified. Forms of identification include valid identity documents, driver's licences and passports.

A form of proxy, which includes the relevant instructions for its completion, is attached for the use of holders of certificated shares and 'own name' dematerialised shareholders who wish to be represented at the annual general meeting. Completion of a form of proxy will not preclude such a shareholder from attending and voting (in preference to that shareholder's proxy) at the annual general meeting.

Holders of dematerialised shares, other than 'own name' dematerialised shareholders, who wish to vote at the annual general meeting, must instruct their central securities depository participant (CSDP) or broker accordingly in the manner and cut-off time stipulated by their CSDP or broker.

Holders of dematerialised shares, other than 'own name' dematerialised shareholders, who wish to attend the annual general meeting in person, need to arrange the necessary authorisation as soon as possible through their CSDP or broker.

A shareholder may appoint a proxy at any time. For practical purposes, the form appointing a proxy and the authority (if any) under which it is signed, must reach the transfer secretaries of the company (Link Market Services South Africa Proprietary Limited, 13th floor; Rennie House, 19 Ameshoff Street, Braamfontein 2001 or PO Box 4844, Johannesburg 2000) by no later than 11:15 on Wednesday 23 August 2017 to allow for processing of such proxy. Should

you hold Naspers A ordinary shares, the signed proxy must reach the registered office of the company by no later than 11:15 on Wednesday 23 August 2017 to allow for processing of such proxy. A form of proxy is enclosed with this notice. The form of proxy may also be obtained from the registered office of the company. All other proxies must be handed to the company secretary prior to the commencement of the meeting.

Purpose of meeting

The purpose of the meeting is: (i) to present the directors' report and the audited annual financial statements of the company for the immediate preceding financial year; an audit committee report and the social and ethics committee report; (ii) to consider and, if approved, to adopt with or without amendment, the resolutions set out below; and (iii) to consider any matters raised by the shareholders of the company, with or without advance notice to the company.

Electronic participation

Shareholders entitled to attend and vote at the meeting or proxies of such shareholders shall be entitled to participate in the meeting (but not vote) by electronic communication. Should a shareholder wish to participate in the meeting by electronic communication, the shareholder concerned should advise the company thereof by no later than 09:00 on Friday 18 August 2017 by submitting via registered mail addressed to the company (for the attention of Mrs Gillian Kisbey-Green) relevant contact details, as well as full details of the



Notice of annual general meeting (continued)

shareholder's title to securities issued by the company and proof of identity, in the form of certified copies of identity documents and share certificates (in the case of materialised shares) and (in the case of dematerialised shares) written confirmation from the shareholder's CSDP, confirming the shareholder's title to the dematerialised shares. Upon receipt of the required information, the shareholder concerned will be provided with a secure code and instructions to access the electronic communication during the annual general meeting. Shareholders must note that access to the electronic communication will be at the expense of the shareholders who wish to utilise the facility.

Integrated annual report

The integrated annual report of the company for the year ended 31 March 2017 is available on www.naspers.com or on request during normal business hours at Naspers's registered address, 40 Heerengracht, Cape Town 8000 (contact person Ms Yasmin Abrahams) and in Johannesburg at MultiChoice City, 144 Bram Fischer Drive, Randburg 2194 (contact person Mrs Toni Lutz).

Ordinary resolutions

In order for the ordinary resolutions below to be adopted, the support of a majority of votes exercised by shareholders present or represented by proxy at this meeting is required. Ordinary resolutions numbers 9 and 10 require the support of at least 75% of the total number of votes exercised by the shareholders present or represented by proxy at this meeting.

1. To consider and accept the financial statements of the company and the group for the twelve (12) months ended 31 March 2017 and the reports of the directors, the auditor and the audit committee. The summarised form of the financial statements is attached to this notice.

A copy of the complete annual financial statements of the company for the financial year ended 31 March 2017 can be obtained from www.naspers.com or on request during normal business hours at Naspers's registered address, 40 Heerengracht, Cape Town 8000 (contact person Ms Yasmin Abrahams) and in Johannesburg at MultiChoice City, 144 Bram Fischer Drive, Randburg 2194 (contact person Mrs Toni Lutz).

2. To confirm and approve payment of dividends in relation to the N ordinary and A ordinary shares of the company as authorised by the board, after having applied the solvency and liquidity tests contemplated in the Act.
3. To reappoint, on the recommendation of the company's audit committee, the firm PricewaterhouseCoopers Inc. as independent registered auditor of the company (noting that Mr B Deegan is the individual registered auditor of that firm who will undertake the audit) for the period until the next annual general meeting of the company.

4. To approve the appointment of Ms E M Choi as non-executive director with effect from 21 April 2017. Her abridged curriculum vitae appears on page 37 of this report and on the corporate website on www.naspers.com. The board unanimously recommends the approval of the appointment of the director in question.

5. To elect Messrs J P Bekker, S J Z Pacak, T M F Phaswana, B J van der Ross and Prof R C C Jafta, who retire by rotation and, being eligible, offer themselves for re-election as directors of the company. Their abridged curricula vitae appear on pages 36 and 37 of this report and on the corporate website on www.naspers.com.

The board unanimously recommends that the re-election of directors in terms of resolution number 5 be approved by the shareholders of the company.

The appointment of the director in ordinary resolution number 4 and the re-election of directors in ordinary resolution number 5 will be conducted as a series of votes, each being for the candidacy of a single individual to fill a single vacancy, and in each vote to fill a vacancy, each voting right entitled to be exercised, may be exercised once.

6. To appoint the audit committee members as required in terms of the Act and as recommended by the King Code of Corporate Governance for South Africa 2009 (King III) (chapter 3).

Notice of annual general meeting (continued)

The board and the nomination committee are satisfied that the company's audit committee members are suitably skilled and experienced independent non-executive directors. Collectively, they have sufficient qualifications and experience to fulfil their duties, as contemplated in regulation 42 of the Companies Regulations 2011. They have a comprehensive understanding of financial reporting, internal financial controls, risk management and governance processes within the company, as well as International Financial Reporting Standards (IFRS) and other regulations and guidelines applicable to the company. They keep up to date with developments affecting their required skills set.

The board and the nomination committee therefore unanimously recommend Messrs D G Eriksson and B J van der Ross, and Prof R C C Jafta for election to the audit committee. Their abridged curricula vitae appear on pages 36 and 37 of this report and on the corporate website on www.naspers.com. The appointment of the members of the audit committee will be conducted by way of a separate vote in respect of each individual.

7. To endorse the company's remuneration policy, as set out in the remuneration report in the integrated annual report by way of a non-binding advisory vote.

8. To place the authorised but unissued share capital of the company under the control of the directors and to grant, until the conclusion of the next annual general meeting of the company, an unconditional authority to the directors to allot and issue at their discretion (but subject to the provisions of the Act, plus the JSE Limited's stock exchange (JSE) Listings Requirements and the rules of any other exchange on which the shares of the company may be quoted or listed from time to time, plus the memorandum of incorporation of the company), the unissued shares of the company, on such terms and conditions and to such persons, whether they be shareholders or not, as the directors in their discretion deem fit.

9. Subject to a minimum of 75% of the votes of shareholders of the company present in person or by proxy at the annual general meeting and entitled to vote, voting in favour thereof, the directors be authorised and are hereby authorised to issue unissued shares of a class of shares already in issue in the capital of the company for cash as and when the opportunity arises, subject to the requirements of the JSE, including the following:
 - This authority shall not endure beyond the earlier of the next annual general meeting of the company or beyond fifteen (15) months from the date of this meeting.

- That a paid press announcement giving full details, including the intended use of the funds, will be published at the time of any issue representing, on a cumulative basis within one year, 5% or more of the number of shares of that class in issue prior to the issue.
 - The aggregate issue of any particular class of shares in any financial year will not exceed 5% (21 913 262) of the issued number of that class of shares (including securities that are compulsorily convertible into shares of that class).
 - That in determining the price at which an issue of shares will be made in terms of this authority, the discount at which the shares may be issued, may not exceed 10% of the weighted average traded price of the shares in question, as determined over the thirty (30) business days prior to the date that the price of the issue is determined.
 - That the shares will only be issued to 'public shareholders' as defined in the JSE Listings Requirements and not to related parties.
10. To approve amendments to the Naspers share incentive trust deed, the MIH Services f2 llc Share Trust deed (formerly the MIH (Mauritius) Limited share trust deed) and the MIH Holdings Share Trust deed (collectively the trust deeds) and the share schemes envisaged by such trust deeds (collectively, the schemes).

Notice of annual general meeting (continued)

Resolved that the amendments to each of the trust deeds and the share schemes envisaged by such trust deeds be and are hereby approved in the form of each amended trust deed, as laid before the meeting, with effect from the date of this resolution.

Reason and effect of ordinary resolution 10

Schedule 14 of the JSE Listings Requirements (Schedule 14) governs share option schemes and share incentive schemes involving the issue of equity securities by issuers to, or for the benefit of, employees and other persons involved in the business of the Naspers group (the group) and which result in a dilution of the shareholding of equity securities holders in the issuer. This includes the issue of equity securities from the issuer's authorised, but unissued, share capital, as well as the use of equity securities held as treasury shares. Schedule 14 is applicable to the schemes and the trust deeds. The schemes and the trust deeds were originally approved in terms of Schedule 14.

The board proposes to amend the schemes and the trust deeds, in particular certain leaver provisions and the vesting periods, in order to align them with changing commercial realities and to bring them in line with market standards. These amendments will be effective on, and as from, the date on which they are approved by shareholders, and will relate to awards made after such approval becomes effective.

In each of the trust deeds, the vesting of awards is currently accelerated where a participant ceases employment due to death, ill health, permanent disability, retirement or retrenchment/redundancy. The following changes are proposed to the leaver provisions in each of the trust deeds:

- (i) Retrenchment/Redundancy: awards will no longer be accelerated. Participants will only be able to exercise awards that have already vested on the termination date of their employment. In such instances, participants will have 60 days following termination of employment to exercise their vested awards. All unvested awards and unexercised vested awards will lapse at the expiry of the 60-day period. The relevant trustee(s) will, however, retain the discretion to accelerate vesting on a case-by-case basis.
- (ii) Mutual separation: this encapsulates a new leaver event that is proposed to be incorporated that will apply on 'no fault termination', where a participant's employment terminates as a result of an agreement between the employee and the employer. In such instances, participants must exercise any vested awards prior to their employment ceasing and their unvested awards and unexercised vested awards will lapse on the termination date of their employment.

Furthermore, in each of the trust deeds, awards currently vest over a five-year period with vesting running from years three to five of the vesting period. To bring the schemes in line with market standards, it is proposed to change this period to a four-year vesting period with 25% of the award vesting each year.

This ordinary resolution number 10 will only be effective if passed by a majority of 75% or more of the votes cast by all shareholders present or represented by proxy, excluding any votes exercised in respect of any treasury shares held by the group and any shares held by share schemes of the group.

The trust deeds will be made available for inspection by shareholders during normal business hours at the company's registered address, 40 Heerengracht, Cape Town 8000 (contact person Ms Yasmin Abrahams) and in Johannesburg at MultiChoice City, 144 Bram Fischer Drive, Randburg 2194 (contact person Mrs Toni Lutz) for a period of not less than fourteen (14) days prior to the annual general meeting.

Special resolutions

The special resolutions set out on the following pages require the support of at least 75% of votes exercised by shareholders present or represented by proxy at this meeting in order to be adopted.

Notice of annual general meeting (continued)

Special resolutions numbers 1.1 to 1.13

The approval of the remuneration of the non-executive directors for the year ending 31 March 2019 (up to a 5% increase on fees for 31 March 2018 already approved by shareholders at the annual general meeting on 26 August 2016), as follows:

		31 March 2019 (proposed up to 5% increase year on year)
Board		
1.1	Chair*	2.5 times member
1.2	Member	US\$189 840
	All members: Daily fees when travelling to and attending meetings outside home country	US\$3 500
Committees		
1.3	Audit committee: Chair	2.5 times member
1.4	Member	US\$46 770
1.5	Risk committee: Chair	2.5 times member
1.6	Member	US\$27 780
1.7	Human resources and remuneration committee: Chair	2.5 times member
1.8	Member	US\$32 865
1.9	Nomination committee: Chair	2.5 times member
1.10	Member	US\$17 710
1.11	Social and ethics committee: Chair	2.5 times member
1.12	Member	US\$24 310
Other		
1.13	Trustee of group share schemes/other personnel funds	R51 200

Note

*The chair of Naspers does not receive additional remuneration for attending meetings, or being a member of or chairing any committee of the board.

The reason for and effect of special resolutions numbers 1.1 to 1.13 is to grant the company the authority to pay remuneration to its directors for their services as directors.

Each of the special resolutions numbers 1.1 to 1.13 in respect of the proposed 31 March 2019 remuneration, will be considered by way of a separate vote.

Special resolution number 2

That the board may authorise the company to generally provide any financial assistance in the manner contemplated in and subject to the provisions of section 44 of the Act to a director or prescribed officer of the company or of a related or interrelated company, or to a related or interrelated company or corporation, or

to a member of a related or interrelated corporation, pursuant to the authority hereby conferred upon the board for these purposes. This authority shall include and also apply to the granting of financial assistance to the Naspers share incentive scheme, the other existing group share-based incentive schemes (details of which appear in the annual financial statements for the year ended 31 March 2017) and such group share-based incentive schemes that are established in future (collectively the Naspers group share-based incentive schemes) and participants thereunder (which may include directors, future directors, prescribed officers and future prescribed officers of the company or of a related or interrelated company) (participants) for the purpose of, or in connection with,

the subscription of any option, or any securities, issued or to be issued by the company or a related or interrelated company, or for the purchase of any securities of the company or a related or interrelated company, pursuant to the administration and implementation of the Naspers group share-based incentive schemes in each instance on the terms applicable to the Naspers group share-based incentive scheme in question. Details of these share-based incentive schemes are available online in the annual financial statements.

The reason for and effect of special resolution number 2 is to approve generally the provision of financial assistance to the potential recipients as set out in the resolution.

Notice of annual general meeting (continued)

Special resolution number 3

That the company, as authorised by the board, may generally provide, in terms of and subject to the requirements of section 45 of the Act, any direct or indirect financial assistance to a related or interrelated company or corporation, or to a member of a related or interrelated corporation, pursuant to the authority hereby conferred upon the board for these purposes.

The reason for and effect of special resolution number 3 is to approve generally the provision of financial assistance to the potential recipients as set out in the resolution.

Special resolution number 4

That the company or any of its subsidiaries be and are hereby authorised to acquire N ordinary shares issued by the company from any person whosoever (including any director or prescribed officer of the company or any person related to any director or prescribed officer of the company), in terms of and subject to the Act and in terms of the rules and requirements of the JSE, being that:

- Any such acquisition of N ordinary shares shall be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement.
- This general authority shall be valid until the company's next annual general meeting, provided that it shall not extend beyond fifteen (15) months from the date of passing of this special resolution.
- An announcement will be published as soon as the company or any of its subsidiaries have acquired N ordinary shares constituting, on a cumulative basis, 3% of the number of

N ordinary shares in issue prior to the acquisition, pursuant to which the aforesaid 3% threshold is reached, and for each 3% in aggregate acquired thereafter, containing full details of such acquisitions.

- Acquisitions of N ordinary shares in aggregate in any one financial year may not exceed 20% of the company's N ordinary issued share capital as at the date of passing of this special resolution.
- In determining the price at which N ordinary shares issued by the company are acquired by it or any of its subsidiaries in terms of this general authority, the maximum premium at which such N ordinary shares may be acquired, will not exceed 10% of the weighted average of the market value at which such N ordinary shares are traded on the JSE as determined over the five (5) business days immediately preceding the date of repurchase of such N ordinary shares by the company or any of its subsidiaries.
- At any point the company may only appoint one agent to effect any repurchase on the company's behalf.
- The company and/or its subsidiaries may not repurchase any N ordinary shares during a prohibited period as defined by the JSE Listings Requirements, unless a repurchase programme is in place where dates and quantities of shares to be traded during the prohibited period are fixed, and full details of the programme have been submitted to the JSE in writing prior to the commencement of the prohibited period.
- Authorisation for the repurchase is given by the company's memorandum of incorporation.

- A resolution has been passed by the board authorising the repurchase and confirming that the company and its subsidiaries passed the solvency and liquidity test and that from the time that the test was done there have been no material changes to the financial position of the group.

Before the general repurchase is effected, the directors, having considered the effects of the repurchase of the maximum number of N ordinary shares in terms of the foregoing general authority, will ensure that for a period of twelve (12) months after the date of the notice of the annual general meeting:

- The company and the group will be able, in the ordinary course of business, to pay their debts.
- The assets of the company and the group, fairly valued in accordance with IFRS, will exceed the liabilities of the company and the group.
- The company and the group's ordinary share capital, reserves and working capital will be adequate for ordinary business purposes.

Additional information in respect of the following appears in the integrated annual report and in the annual financial statements, and is provided in terms of the JSE Listings Requirements for purposes of the general authority:

- Major shareholders.
- Share capital of the company.

Directors' responsibility statement

The directors, whose names appear in the list of directors contained in the integrated annual report, collectively and individually accept full responsibility for the accuracy of the information

Notice of annual general meeting (continued)

pertaining to this special resolution number 4 and certify that, to the best of their knowledge and belief, there are no facts that have been omitted that would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that special resolution number 4 contains all relevant information.

Material changes

Other than the facts and developments reported on in the integrated annual report and annual financial statements, there have been no material changes in the affairs or financial position of the company and its subsidiaries since the date of signature of the audit report and up to the date of this notice.

The directors have no specific intention, at present, for the company to repurchase any of its N ordinary shares during the year following this annual general meeting, but believe that such a general authority should be put in place as circumstances change in case an opportunity presents itself during the year, which is in the best

interests of the company and its shareholders.

The reason for and effect of special resolution number 4 is to grant the company the authority in terms of the Act and the JSE Listings Requirements for the acquisition by the company, or a subsidiary of the company, of the company's N ordinary shares.

Special resolution number 5

That the company or any of its subsidiaries be and are hereby authorised to acquire A ordinary shares issued by the company from any person whosoever (including any director or prescribed officer of the company or any person related to any director or prescribed officer of the company), in terms of and subject to the Act.

The reason for and effect of special resolution number 5 is to grant the company the authority in terms of the Act for the acquisition by the company, or a subsidiary of the company, of the company's A ordinary shares.

Ordinary resolution

11. Each of the directors of the company or the company secretary is hereby authorised to do all things, perform all acts and sign all documentation necessary to effect the implementation of the ordinary and special resolutions adopted at this annual general meeting.

Other business

To transact such other business as may be transacted at an annual general meeting.

By order of the board



G Kisbey-Green
Company secretary

Cape Town
21 July 2017

Form of proxy

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

103rd annual general meeting of shareholders

For use by holders of certificated shares or 'own name' dematerialised shareholders at the 103rd annual general meeting of shareholders of the company to be held on the 17th floor of Media24 Centre, 40 Heerengracht, Cape Town, South Africa on Friday 25 August 2017 at 11:15.

I/We (please print)

of

being a holder of certificated shares or

'own name' dematerialised shares of Naspers and entitled to votes, hereby appoint

(see note 1)

1. or, failing him/her;
2. or, failing him/her;
3. the chair of the annual general meeting as my/our proxy to act for me/us at the annual general meeting, which will be held in the boardroom on the 17th floor, Media24 Centre, 40 Heerengracht in Cape Town on Friday 25 August 2017 at 11:15 for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment or postponement thereof, and to vote for or against the resolutions and/or abstain from voting in respect of the shares in the issued share capital of the company registered in my/our name(s) (see note 2) as follows:

	In favour of	Against	Abstain
Ordinary resolutions			
1. Acceptance of annual financial statements			
2. Confirmation and approval of payment of dividends			
3. Reappointment of PricewaterhouseCoopers Inc. as auditor			
4. To confirm the appointment of E M Choi as a non-executive director			
5. To elect the following directors:			
5.1 J P Bekker			
5.2 S J Z Pacak			
5.3 T M F Phaswana			
5.4 B J van der Ross			
5.5 R C C Jafta			
6. Appointment of the following audit committee members:			
6.1 D G Eriksson			
6.2 B J van der Ross			
6.3 R C C Jafta			
7. To endorse the company's remuneration policy			
8. Approval of general authority placing unissued shares under the control of the directors			
9. Approval of general issue of shares for cash			
10. Amendments to the deeds for the Naspers Share Incentive Trust, the MIH Services fz llc Share Trust (formerly the MIH (Mauritius) Limited share trust) and the MIH Holdings Share Trust			
11. Authorisation to implement all resolutions adopted at the annual general meeting			

Form of proxy (continued)

	In favour of	Against	Abstain
Special resolution number 1			
Approval of the remuneration of the non-executive directors			
Proposed financial year 31 March 2019:			
I.1 Board – chair			
I.2 Board – member			
I.3 Audit committee – chair			
I.4 Audit committee – member			
I.5 Risk committee – chair			
I.6 Risk committee – member			
I.7 Human resources and remuneration committee – chair			
I.8 Human resources and remuneration committee – member			
I.9 Nomination committee – chair			
I.10 Nomination committee – member			
I.11 Social and ethics committee – chair			
I.12 Social and ethics committee – member			
I.13 Trustees of group share schemes/other personnel funds			
Special resolution number 2			
Approve generally the provision of financial assistance in terms of section 44 of the Act			
Special resolution number 3			
Approve generally the provision of financial assistance in terms of section 45 of the Act			
Special resolution number 4			
General authority for the company or its subsidiaries to acquire N ordinary shares in the company			
Special resolution number 5			
General authority for the company or its subsidiaries to acquire A ordinary shares in the company			

and generally to act as my/our proxy at the said annual general meeting (tick whichever is applicable. If no indication is given, the proxy holder will be entitled to vote or to abstain from voting as the proxy holder deems fit).

Signed at _____ on this _____ day of _____ 2017

Signature _____ Assisted (where applicable) _____



Notes to form of proxy

1. The following provisions shall apply in relation to proxies:
 - 1.1 A shareholder of the company may appoint any individual (including an individual who is not a shareholder of the company) as a proxy to participate in, speak and vote at the annual general meeting of the company.
 - 1.2 A shareholder may appoint two or more persons concurrently as proxies and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder.
 - 1.3 A proxy instrument must be in writing, dated and signed by the shareholder.
 - 1.4 A proxy may delegate the proxy's authority to act on behalf of the shareholder to another person, subject to any restrictions set out in the instrument appointing the proxy.
 - 1.5 A copy of the instrument appointing a proxy must be delivered to the company, or to any other person on behalf of the company, before the proxy exercises any rights of the shareholder at the annual general meeting.
 - 1.6 Irrespective of the form of instrument used to appoint the proxy: (i) the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder; (ii) the appointment is revocable unless the proxy appointment expressly states otherwise; and (iii) if the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing or making a later inconsistent appointment of a proxy and delivering a copy of the revocation instrument to the proxy and the company.
 - 1.7 The proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the memorandum of incorporation of the company, or the instrument appointing the proxy, provides otherwise.
2. A certificated or 'own name' dematerialised shareholder may insert the names of two alternative proxies of the shareholder's choice in the space provided, deleting 'the chair of the annual general meeting'. The person whose name appears first on the form of proxy and whose name has not been deleted and who attends the meeting, will be entitled and authorised to act as proxy to the exclusion of those whose names follow.
3. A shareholder's instructions to the proxy must be indicated by that shareholder in the appropriate space provided, failing which the proxy shall not be entitled to vote at the annual general meeting in respect of the shareholder's votes exercisable at that meeting, provided where the proxy is the chair, failure to so comply will be deemed to authorise the chair to vote in favour of the resolutions.
4. A shareholder may appoint a proxy at any time. For practical purposes, forms of proxy for Naspers N ordinary shares must be lodged at or posted to the transfer secretaries of the company, Link Market Services South Africa Proprietary Limited, 13th floor, Rennie House, 19 Ameshoff Street, Braamfontein 2001 or PO Box 4844, Johannesburg 2000. Forms of proxy for Naspers A ordinary shares must be lodged at or posted to the registered office of the company, 40 Heerengracht, Cape Town 8001 or PO Box 2271, Cape Town 8000. Forms of proxy lodged in this manner are to be received by not later than 11:15 on Wednesday 23 August 2017, or such later date if the annual general meeting is postponed to allow for processing of such proxies. All other proxies must be handed to the company secretary prior to the commencement of the meeting.
5. The completion and lodging of this form of proxy will not preclude the certificated shareholder or 'own name' dematerialised shareholder from attending the annual general meeting and speaking and voting in person at the meeting to the exclusion of any proxy appointed in terms hereof.
6. An instrument of proxy shall be valid for any adjournment or postponement of the annual general meeting, as well as for the meeting to which it relates, unless the contrary is stated therein, but shall not be used at the resumption of an adjourned annual general meeting if it could not have been used at the annual general meeting from which it was adjourned for any reason other than that it was not lodged timeously for the meeting from which the adjournment took place.

Notes to form of proxy (continued)

7. A vote cast or act done in accordance with the terms of a form of proxy shall be deemed to be valid despite:
 - the death, insanity, or any other legal disability of the person appointing the proxy, or
 - the revocation of the proxy, or
 - the transfer of a share in respect of which the proxy was given, unless notice as to any of the above-mentioned matters shall have been received by the company at its registered office or by the chair of the annual general meeting at the place of the annual general meeting, if not held at the registered office, before the commencement or resumption (if adjourned) of the annual general meeting at which the vote was cast or the act was done or before the poll on which the vote was cast.
8. The authority of a person signing the form of proxy:
 - 8.1 under a power of attorney, or
 - 8.2 on behalf of a company or close corporation or trust, must be attached to the form of proxy unless the full power of attorney has already been received by the company or the transfer secretaries.
9. Where shares are held jointly, all joint holders must sign.
10. Dematerialised shareholders, other than by 'own name' registration, must NOT complete this form of proxy and must provide their central securities depository participant (CSDP) or broker of their voting instructions in terms of the custody agreement entered into between such shareholders and their CSDP and/or broker.

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Bastion



www.naspers.com

NASPERS HEAD OFFICE

+27 (0)21 406 2121

Street address

40 Heerengracht
Cape Town, 8001