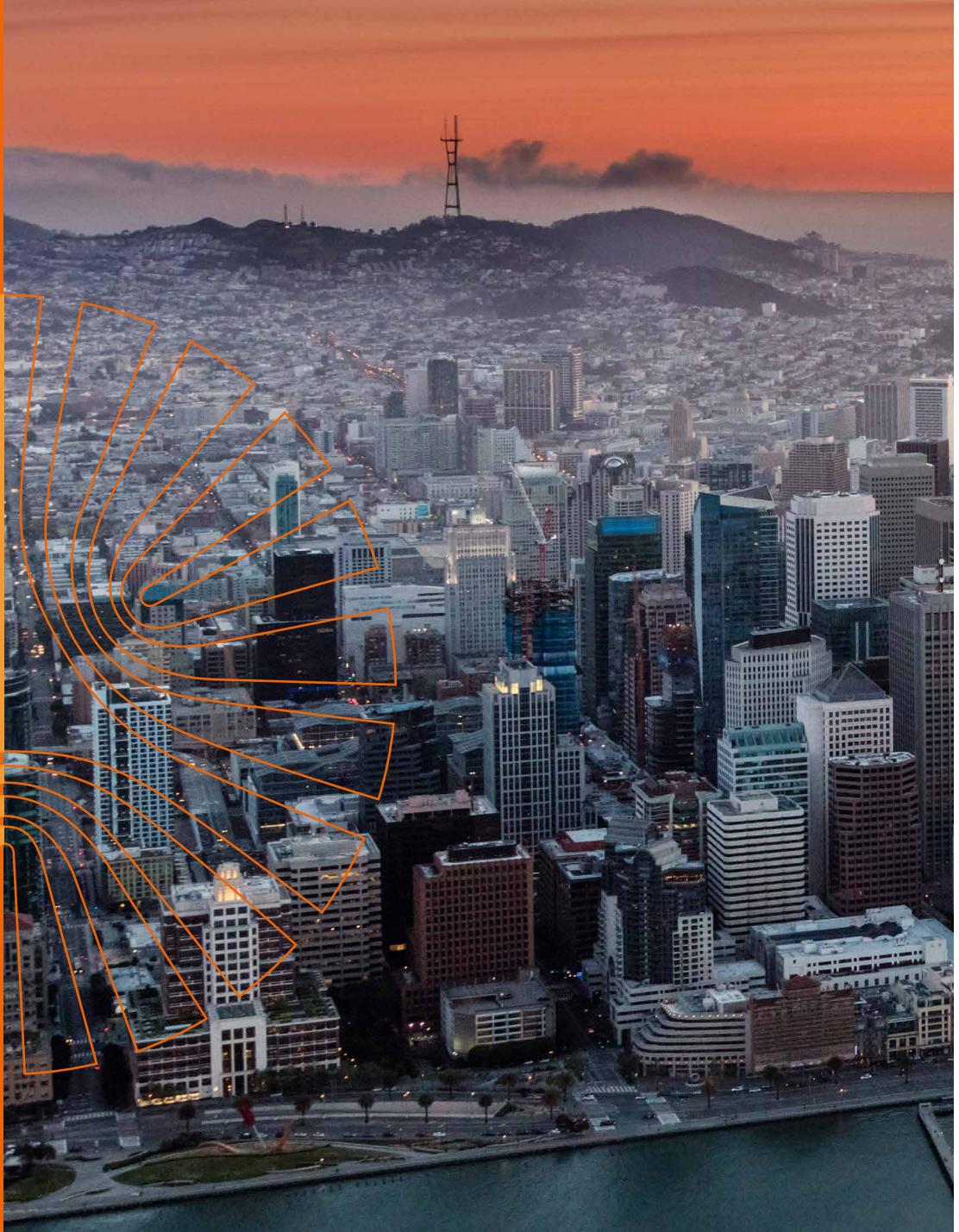


*In pursuit  
of growth...*

*To view the online report,  
please visit our website:*

[www.naspersreports.com](http://www.naspersreports.com)



San Francisco, USA



...today...

**Naspers is a unique and exciting technology operator and investor. We back entrepreneurs to build digital technology platforms that improve the lives of hundreds of millions of people around the world.**

---

GROUP REVENUES GREW

**39%<sup>(1)</sup>**

to US\$20.1bn<sup>(2)</sup>

CLASSIFIEDS  
(excluding lego)

became profitable during the year; contributing to group trading profit

---

TRADING PROFIT GREW

**52%<sup>(1)</sup>**

to US\$3.4bn<sup>(2)</sup>

STRENGTHENED OUR POSITION

in online food-delivery services by investing a combined US\$1.4bn in Delivery Hero and Swiggy

---

CORE HEADLINE EARNINGS  
WAS UP

**72%**

at US\$2.5bn

VIDEO ENTERTAINMENT  
(South Africa)

contributed steady revenue and trading profit growth

**79%<sup>(2)</sup>**

of our revenue now comes from our internet and ecommerce activities<sup>(1)</sup>

---

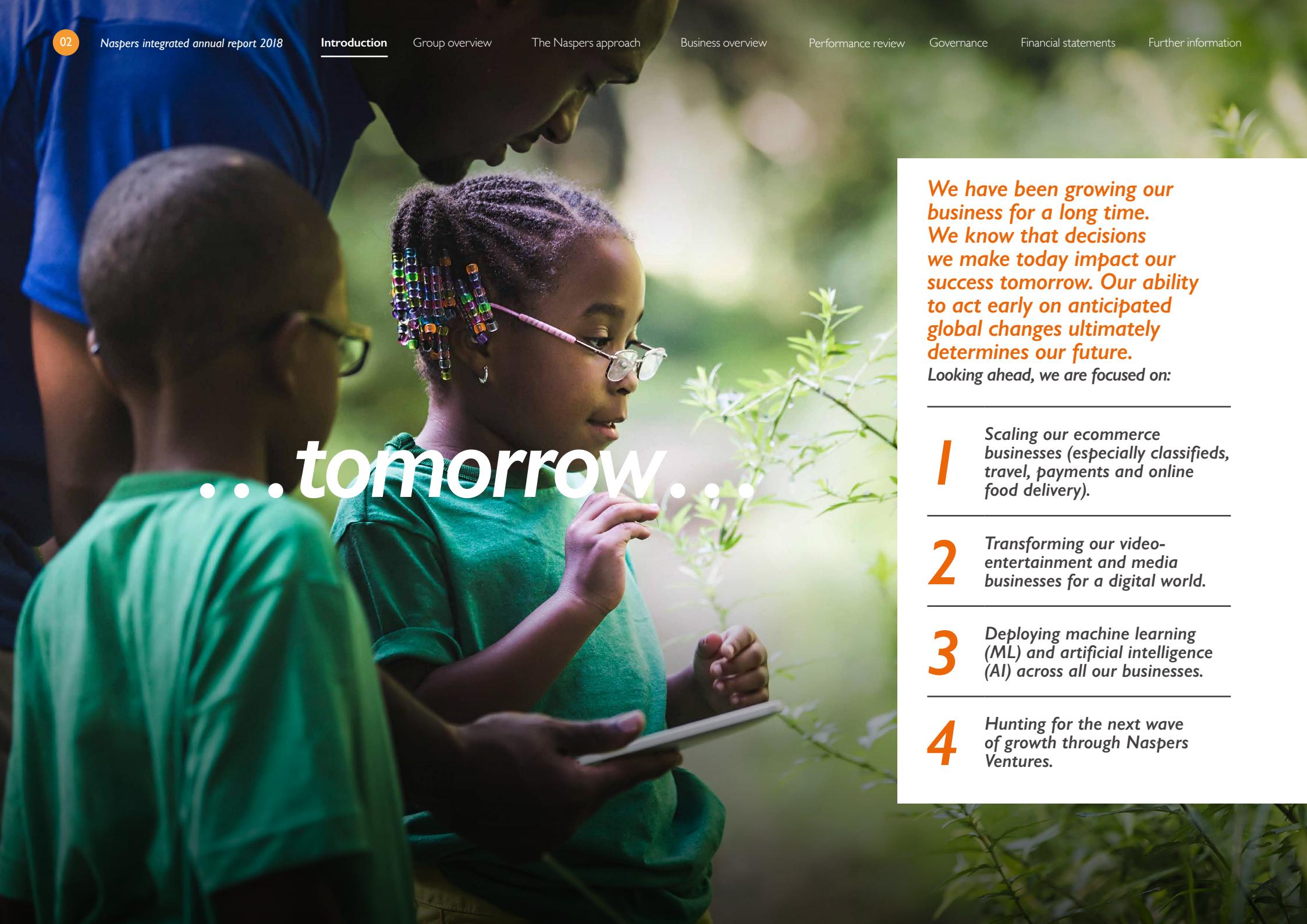
SOLD A  
**2%**

interest in Tencent, to reinforce the balance sheet and pursue growth opportunities, generating proceeds of US\$9.8bn

Notes

<sup>(1)</sup> Growth in local currency, excluding M&A.

<sup>(2)</sup> Presented on an economic-interest basis.

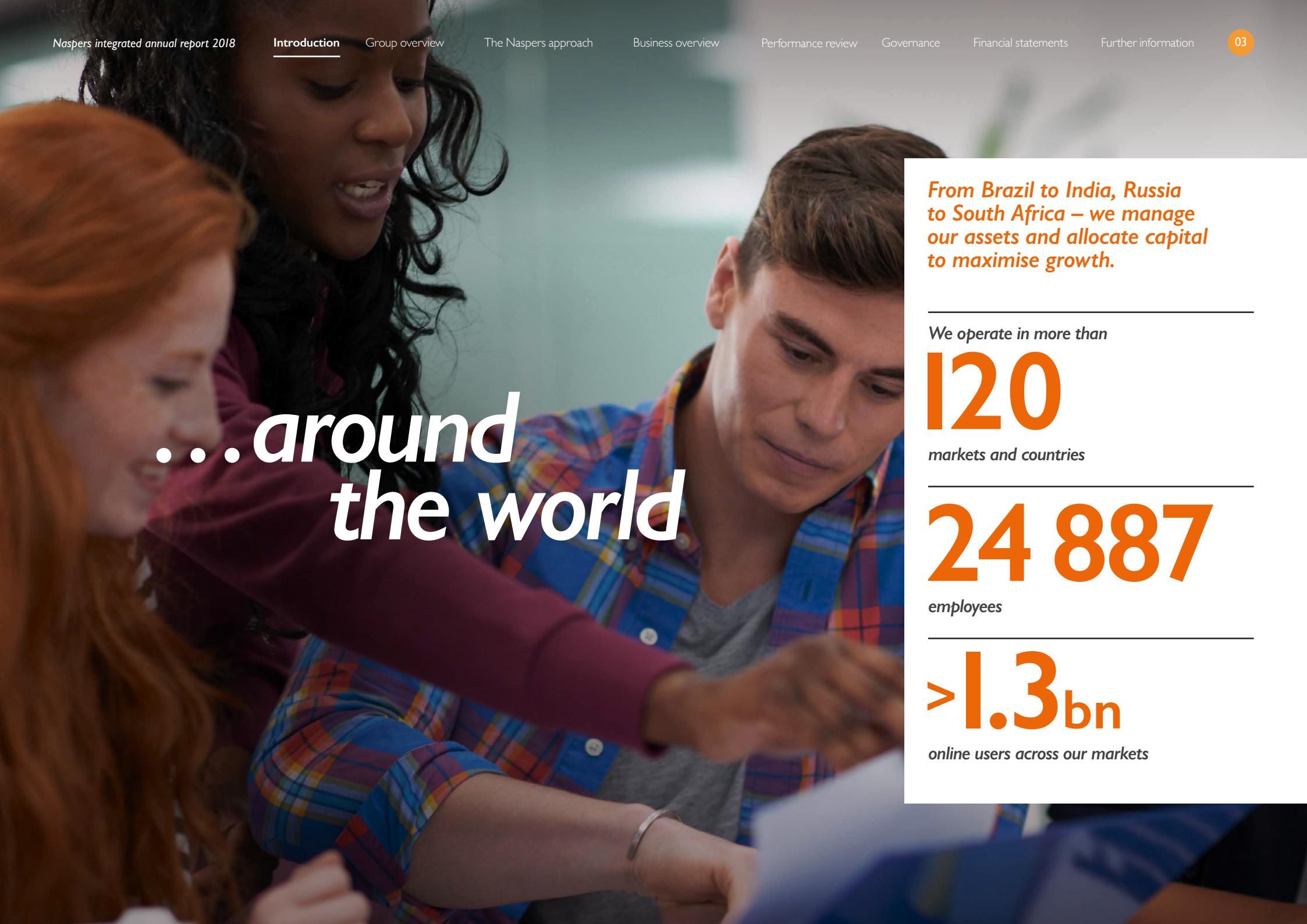
A photograph showing three young children, two boys and one girl, looking closely at a small green plant. The girl in the center is wearing glasses and has colorful hair clips. The boy on the left is wearing a green t-shirt and glasses. The boy on the right is wearing a blue shirt. They are all looking down at the plant with interest.

...tomorrow...

We have been growing our business for a long time. We know that decisions we make today impact our success tomorrow. Our ability to act early on anticipated global changes ultimately determines our future.

Looking ahead, we are focused on:

- 
- 1 Scaling our ecommerce businesses (especially classifieds, travel, payments and online food delivery).
- 
- 2 Transforming our video-entertainment and media businesses for a digital world.
- 
- 3 Deploying machine learning (ML) and artificial intelligence (AI) across all our businesses.
- 
- 4 Hunting for the next wave of growth through Naspers Ventures.



...around  
the world

From Brazil to India, Russia to South Africa – we manage our assets and allocate capital to maximise growth.

We operate in more than

**120**

markets and countries

**24 887**

employees

**>1.3bn**

online users across our markets

**We are a global internet and entertainment group and one of the largest and most successful technology investors in the world. Operating in more than 120 countries and markets with long-term growth potential, we build leading companies that empower people and enrich communities. We run and invest in some of the world's leading digital platforms in internet, video entertainment and media.**

Naspers companies connect people to each other and the wider world, help people improve their daily lives, and entertain audiences with the best of local and global content. Every day, millions of people use the products and services of companies we have invested in, acquired or built, including Avito, Brainly, Codecademy, eMAG, iFood, letgo, Media24, Movile, MultiChoice, OLX, PayU, Showmax, SimilarWeb, Swiggy, Twiggle and Udemy.

Similarly, hundreds of millions of people have made the platforms of our associates a part of their daily lives: Tencent ([www.tencent.com](http://www.tencent.com); SEHK 00700), Mail.ru ([www.corp.mail.ru](http://www.corp.mail.ru); LSE: MAIL), MakeMyTrip Limited ([www.makemytrip.com](http://www.makemytrip.com); NASDAQ:MMYT) and Delivery Hero ([www.deliveryhero.com](http://www.deliveryhero.com); Xetra: DHER).

Naspers is listed on the JSE Limited, Johannesburg's stock exchange (NPN.SJ), and has an ADR listing on the London Stock Exchange (LSE: NPSN).

## Contents

<b>About this report</b>	05
<b>Group overview</b>	07
Chair's review .....	09
Chief executive's review.....	11
<b>The Naspers approach</b>	13
<b>Business overview</b>	17
Our business model.....	17
Reporting on the six capitals.....	18
The world around us.....	19
Engaging our stakeholders.....	20
Active portfolio management .....	26
Capital performance snapshot.....	27
Value creation.....	28
Tax .....	29
<b>Performance review</b>	31
Internet.....	33
Video Entertainment.....	41
Media.....	45
Our people .....	49
Financial review.....	51
Managing risks and opportunities .....	52
<b>Governance</b>	58
Our board.....	59
Governance for a sustainable business.....	62
Remuneration report.....	68
<b>Summarised consolidated annual financial statements</b>	92
<b>Further information</b>	110
Notice of annual general meeting.....	111
Form of proxy.....	114
Notes to the form of proxy.....	115
Shareholder and corporate information .....	116
Analysis of shareholders and shareholders' diary .....	117

# About this report

The Naspers integrated annual report assesses our performance for the year to 31 March 2018, focusing on the value we created for our key stakeholders. The aim is to provide a picture of our progress and impact.

## How it all fits together

We manage our business with purpose, with an innovative approach to how we operate, allocate capital, and address key markets and societal trends.

We pursue growth by building companies that empower people and enrich communities.

We measure our performance by evaluating how we create value for our key stakeholders, taking account of the six capitals ...



**The Naspers approach** See page 13

... as identified in the Framework of the International Integrated Reporting Council: financial, human, intellectual, manufacturing ...



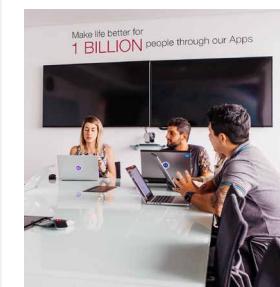
**Our business model** See page 17

... social and relationship, and natural capitals, as well as progress against our strategy, and regularly measuring returns on invested capital.



**Stakeholder engagement** See page 20

We understand the risks we take and manage these to minimise their impact on our business and results. Value creation is the consequence of how we ...



**Value creation** See page 28

... deliver financial performance (outcomes) and value (outputs) for our stakeholders. This is embedded in our business model (page 17) and integral to the way we think and make decisions.



**Risks and opportunities** See page 52

**Governance** See page 58

## About this report

continued

### **Listing information**

Naspers has its primary listing on the JSE Limited (the JSE) (NPNSJ) 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 Depository Receipt (ADR) programme listing on the London Stock Exchange (LSE) (NPSN) and trades on an over-the-counter (OTC) basis in the United States. International investors are therefore able to buy and sell Naspers securities through the OTC market, on the LSE or JSE (details on page 4). Naspers's direct wholly owned subsidiary, Myriad International Holdings B.V. (MIH BV), also has three bonds listed on the Irish Stock Exchange (ISE).

### **Scope and boundary of reporting**

**Financial and non-financial reporting**  
The report extends beyond financial reporting. It reflects on non-financial performance, opportunities, risks and outcomes attributable to or associated with key stakeholders, which have a significant influence on our ability to create value.

It includes the financial performance of Naspers Limited 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](http://www.multichoice.co.za) and [www.media24.com](http://www.media24.com)). 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 financial results, this report mostly excludes financial targets or forward-looking statements other than as explained on page 6.

Where relevant, we have adjusted amounts and percentages for the effects of foreign currency, as well as acquisitions and disposals.

Such adjustments (pro forma financial information) are quoted in brackets after the equivalent metrics reported under IFRS. Refer to page 107 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 (which includes consolidated subsidiaries and a proportionate share of associated companies and joint ventures), unless otherwise stated.

### **The legislation and frameworks that inform our reporting**

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

- 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), which creates and sustains value for our stakeholders.
- South African Companies Act 71 of 2008, as amended (the Companies Act).
- King IV™ Report on Corporate Governance for South Africa, 2016 (King IV™).
- International Financial Reporting Standards (IFRS).

### **Materiality and material matters**

We apply the principle of materiality in assessing what information is to be included in our integrated report. This report focuses particularly on those issues, opportunities and challenges that impact materially on the group, as well as its ability to be a sustainable business that consistently delivers value to all key stakeholders, including our shareholders.

### **Forward-looking statements**

This report contains forward-looking statements as defined in the United States Private Securities Litigation Reform Act of 1995. Words such as "believe", "anticipate", "intend", "seek", "will", "plan", "could", "may", "endeavour" and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances and should be considered in light of various important factors. While these forward-looking statements represent our judgements and future expectations, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations. The key factors that could cause our actual results performance or achievements to differ materially from those in the forward-looking statements include, among others: changes to IFRS and the interpretations, applications and practices subject thereto as they apply to past, present and future periods; ongoing and future acquisitions; changes to domestic and international business and market conditions such as exchange rate and interest rate movements; changes in the domestic and international regulatory and legislative environments; changes to domestic and international operational, social, economic and political conditions; the occurrence of labour disruptions and industrial action and the effects of both current and future litigation. We are not under any obligation to (and expressly disclaim any such obligation to) revise or update any forward-looking statements contained in this report, whether as a result of new information, future events or otherwise. We cannot give any assurance that forward-looking statements will prove to be correct and investors are cautioned not to place undue reliance on any forward-looking statements contained herein.

### **Assurance**

Financial information extracted from the audited Naspers Limited consolidated annual financial statements for the year ended 31 March 2018 and presented in this report was audited by PricewaterhouseCoopers Inc. (PwC) (refer to page 93 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, MultiChoice and Media24).

The group has a combined assurance model for internal use. Our combined assurance model is designed and implemented to cover the key risks through a combination of assurance service providers and functions as is appropriate for Naspers.

An overview of combined assurance per key risk is reported for consideration by the joint audit and risk committees.

Our group internal audit and risk support function has all controlled assets in scope. The head of internal audit and risk support reports to the audit committee and presents for its approval an objective-driven, risk-based internal audit plan. Where required, external parties support the internal audit function, such as forensic specialists or data analytics experts. Other external assurance providers are enlisted on an as-needed basis. In our more regulated businesses (like PayU), regulatory inspectors visit on a periodic, ongoing basis.

The audit committee appoints the external auditor; reviews the auditor's independence annually and oversees the external audit. The audit committee makes recommendations to the board in this regard and assists the board in ensuring the integrity of external reports. The annual chief executive/CFO signoff process also covers financial reporting.

### **Statement of the board of directors on the integrated annual report**

*This report is primarily intended to address the information requirements of long-term investors (our equity shareholders, bondholders and prospective investors). We also present information relevant to the way we create value for other key stakeholders, including our employees, customers, clients, regulators and society.*

*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 IIRC framework and the recommendations of King IV™. In our opinion, the integrated annual report and annual financial statements fairly reflect the financial position of the group at 31 March 2018 and its operations for this period.*

*On behalf of the board*

Koos Bekker  
Chair

Bob van Dijk  
Chief executive

Cape Town  
22 June 2018

# Group overview



# Group overview

*Our principal operations are in internet services, where we have investments in social and internet platforms, but we predominantly focus on ecommerce (especially classifieds, etail, travel, payments and online food delivery), video entertainment and media.*

## Internet

REVENUE

**US\$15.9bn**up 51%<sup>(1)</sup>

TRADING PROFIT

**US\$3.1bn**up 56%<sup>(1)</sup>

EMPLOYEES

**13 739**

Note

<sup>(1)</sup> Presented on an economic-interest basis with growth in local currency, excluding M&A.

We operate internet platforms across a variety of platforms and geographies. We focus on ecommerce, but offer the full range of internet-based services from communication and social networking to entertainment and mobile value-added services.

Our internet operations include:

### Classifieds

Our footprint spreads across 41 markets. Our companies OLX, Avito and letgo have the number-one-ranked mobile classifieds app in more than 22 countries.

<sup>(1)</sup> Read more on page 34

### Etail

This comprises our etail subsidiaries, eMAG and Takealot and our associate, Flipkart. Operations are spread across Central and Eastern Europe, South Africa and India.

<sup>(1)</sup> Read more on page 37

### Travel

MakeMyTrip, listed on the NASDAQ, is a leading Indian online travel company. It provides online travel services including flight tickets, domestic and international holiday packages, hotel reservations and bus tickets.

<sup>(1)</sup> Read more on page 39

### Payments

PayU is one of the largest online payment service platforms in the world, with leading positions in 17 markets across Africa and the Middle East, Central and Eastern Europe, India and Latin America. Included in this segment are the group's fintech and credit associates, Kreditech and Remitly.

<sup>(1)</sup> Read more on page 35

### Online food delivery

This portfolio consists of online food delivery businesses operating in more than 45 markets globally including iFood, Delivery Hero and Swiggy.

<sup>(1)</sup> Read more on page 37

### Ventures

Naspers Ventures partners with entrepreneurs to build leading technology companies, with the ambition to fuel the next wave of growth for Naspers. Naspers Ventures provides operational support to help founders solve the challenges they face, including business strategy expertise, operating experience and/or access to on-the-ground resources in key expansion markets.

<sup>(1)</sup> Read more on page 39

### Social and internet platforms

We also hold investments in listed internet companies. Tencent (31.2%) is China's largest and most-used internet-services platform and Mail.ru Group (28.4%) is the leading internet company in Russian-speaking markets.

<sup>(1)</sup> Read more on page 40

### Market leaders

We are market leaders in many of the businesses and markets where 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.



## Video entertainment

REVENUE

**US\$3.7bn**up 7%<sup>(1)</sup>

TRADING PROFIT

**US\$369m**up 24%<sup>(1)</sup>

EMPLOYEES

**7 064**

Note

<sup>(1)</sup> Growth in local currency, excluding M&A.

Through MultiChoice South Africa and MultiChoice Africa, our video-entertainment division brings entertainment to over 13m subscribing households in 50 countries across sub-Saharan Africa. With limited broadband infrastructure and almost no cable access in Africa, we offer digital satellite (DTH), digital terrestrial (DTT) and online video-entertainment services, including subscription video-on-demand (SVOD) service, Showmax. M-Net provides general entertainment content and SuperSport, the largest funder of sport on the African continent, ensures quality sport content for our customers. Technology provider Irdeto is a world leader in content security, management and delivery.

<sup>(1)</sup> Read more on page 41

## Media<sup>(1)</sup>

REVENUE

**US\$374m**

flat year on year

TRADING LOSS

**US\$30m**increasing 33% year on year<sup>(2)</sup>

EMPLOYEES

**3 747**

Notes

<sup>(1)</sup> All figures exclude Novus.<sup>(2)</sup> Presented on an economic-interest basis with growth in local currency, excluding M&A.

Media24 is Africa's leading media group with interests in digital media and services, newspapers, magazines, ecommerce, book publishing, print and distribution. It publishes some 30 magazines and 80 newspapers and reaches more than 16m average daily unique browsers across its digital platforms.



**news24**  
Breaking News. First.

<sup>(1)</sup> Read more on page 45<sup>(1)</sup> Read more on page 34

# Chair's review

*Naspers makes a difference around the world by backing entrepreneurs and new technologies that may transform people's lives for the better. During the past year we added to established businesses, such as classifieds and video entertainment, and advanced into newer areas such as online food delivery and providing financial services to underserved people.*

## Making a positive impact

We run many different businesses across the group, at various stages of their life cycles. A common thread is the impact they have on the lives of people around the world.

We try to focus on creating sustainable, all-round value. We measure the six capitals: financial, human, intellectual, manufacturing, social and relationship, and natural capital.

We summarise our performance against the aims mentioned in this integrated annual report, but allow me to touch on a few examples.

Our fast-growing payments and fintech business, PayU, is helping evolve a borderless world where everyone can transfer money. How? By applying new technology to create quick and easy credit for underbanked people. It could be a life changer.

**We focus on creating sustainable, all-round value. In this spirit of long-term positive impact, we measure and report on the six capitals: financial, human, intellectual, manufacturing, social and relationship, and natural capital.**

Our classifieds business helps to recycle used products, cutting down on the global carbon footprint.

Online food delivery services help people to save time.

Video services help people in remote places stay in contact with the latest happenings anywhere in the world.

Another one that stands out for me is the SuperSport Let's Play initiative. It reaches over a million learners.

## Contributing around the world

The key to our growth is the commitment of many thousands of people inside Naspers. We appreciate your efforts!

We value the effort and considered risk-taking of our executives under Bob van Dijk's lead.

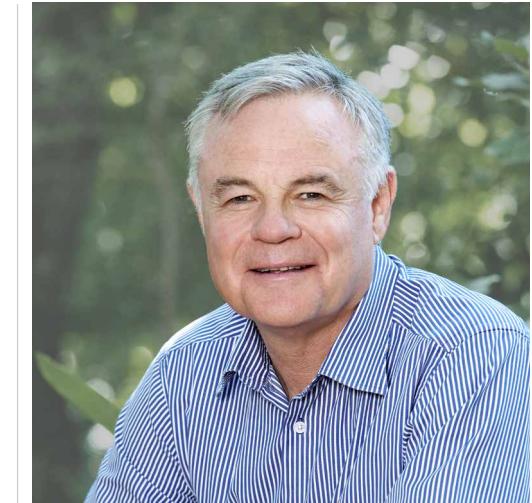
Once again, board members provided valuable guidance and support.

We also recognise the contribution of so many partners and suppliers, as well as collaboration with governmental bodies in numerous countries.

## Ensuring good governance

We are committed to good governance. As a multinational group, our risks differ by jurisdiction. More information is provided in our risk management section on page 52. We aim to conduct the group's business with integrity, applying appropriate corporate governance policies and principles around the world. Where Naspers subsidiaries are governed by independent boards of directors, these apply suitable governance practices and their committees are mandated to comply with relevant requirements. Naspers has a legal compliance programme, detailed on pages 65 and 66.

The audit and risk committees of the board also monitor the group's compliance with listings requirements of the JSE Limited (the JSE), London Stock Exchange (LSE) and Irish Stock Exchange (ISE).



*"I love the fact that Naspers keeps reinventing itself. At heart, we are about technology and entrepreneurship."*

---

## CLASSIFIED BUSINESSES (COUNTRIES)

# 41

## Making it easy for everyone to take on board our code of business ethics and conduct

We know how important it is for everyone across the group to take on board and sign up to our global code of business ethics and conduct. We want to make this as easy and effective as possible. To this end, we have an engaging interactive code of business ethics and conduct course that's available to everyone on our groupwide learning portal, MyAcademy. It is one of a number of training materials readily available via MyAcademy.

The accessible interactive format of the code of business ethics and conduct training, which uses animation and Q&A formats, has proven to be a very popular way to learn about and sign up to our global code of business ethics and conduct.

At Takealot, where they have over 600 employees at two distribution centres, they've taken an inventive and cost-effective approach to making MyAcademy and its online resources available to everyone. At each distribution centre they have converted containers into computer centres for employees. It's an easy onsite way for people who may not have their own internet access to be able to log on and develop their skills.

MyAcademy and its online resources available to everyone



### Board changes

As noted in our last report, Emilie Choi was appointed as an independent non-executive director on 21 April 2017.

Mark Sorour, executive director and group chief investment officer (CIO) of Naspers, retired on 1 April 2018 after two decades. Mark was at the cutting edge of the group's expansion and led some of the biggest transactions for Naspers. What a great career! He will remain on the board as non-executive director and we hope to benefit from his counsel.

# 450 000

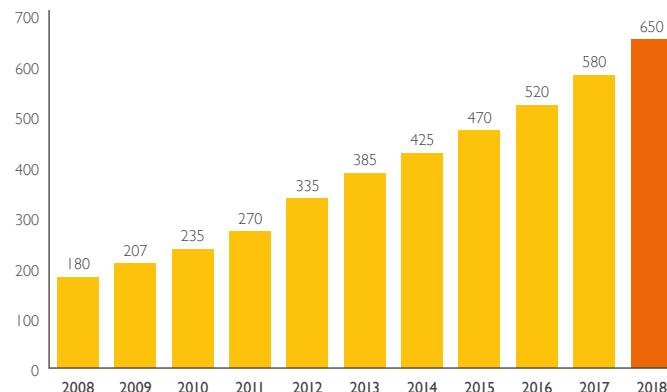
CHILDREN TOOK PART IN THE 2017 LET'S PLAY SCHOOLS PHYSICAL EDUCATION CHALLENGE

PROPOSED ANNUAL GROSS DIVIDEND INCREASED BY 12%

# 650 SA cents

PER LISTED N ORDINARY SHARE

### 10-YEAR REVIEW (DIVIDEND PER LISTED N ORDINARY SHARE)



**Note**

All figures are in SA cents.

As laid out in our memorandum of incorporation, one third of non-executive directors retire annually. This year Craig Enenstein, Don Eriksson, Hendrik du Toit, Guijun Liu and Roberto Oliveira de Lima retire by rotation but, being eligible, offer themselves for re-election. At the annual general meeting, shareholders will be asked to consider the re-election of these directors (see notice on page 111).

Don Eriksson, Ben van der Ross and Rachel Jaffa are members of the audit committee. The board recommends to shareholders that they be reappointed as audit committee members. This is becoming a demanding committee of any board.

In compliance with the Companies Act, shareholders will be asked to consider these proposals at the annual general meeting. Please see directors' curricula vitae on pages 59 and 60.

### Dividend (all figures in South African cents)

The board recommends that the annual gross dividend be increased by 12% to 650 cents (previously 580 cents) per listed N ordinary share, and 130 cents (previously 116 cents) per unlisted A ordinary share.

If confirmed by shareholders at the annual general meeting on Friday 24 August 2018, dividends will be payable to shareholders recorded in the books on Friday 14 September 2018 and paid on Monday 17 September 2018. The last date to trade cum dividend will be on Tuesday 11 September 2018

(shares trade ex dividend from Wednesday 12 September 2018). Share certificates may not be dematerialised or rematerialised between Wednesday 12 September 2018 and Friday 14 September 2018, both dates inclusive.

The dividend will be declared from income reserves. It will be subject to a dividend tax rate of 20%, yielding a net dividend of 520 cents per listed N ordinary share and 104 cents per unlisted A ordinary share to those shareholders not exempted from paying dividend tax. Dividend tax will be 130 cents per listed N ordinary share and 26 cents per unlisted A ordinary share. The issued ordinary share capital as at 22 June 2018 was 438 656 059 N ordinary shares and 907 128 A ordinary shares. The company's income tax reference number is 950138714.

### Looking ahead

As this integrated annual report shows, there are positives in past performance, but also risks ahead. Technology moves fast and competition is often brutal.

On behalf of the board I would like to thank everyone helping to grow this exceptional business.

Koos Bekker  
Chair

22 June 2018

# Chief executive's review

*"We made good progress this year, characterised by strong financial performance, effective capital allocation and positive impact as we continued to deliver on our growth strategy."*



Over the past few years we've been on an exciting journey, pursuing growth with focus and intensity. It's a journey that is taking us deeper into the lives of hundreds of millions of people around the world. Today, our companies and associates play an important role in the lives of the customers and communities we serve, finding ever-better ways to inform and entertain, learn, communicate, enable buying and selling, provide access to payment and financial services, and even eat. And as this year shows, it is a journey that is delivering lasting rewards for all our stakeholders.

#### Rapidly transforming

Our transformation to a fully online group continues. Just 10 years ago publishing and media accounted for 89% of our revenue. Today, 79%

our revenue comes from internet and ecommerce businesses. In the next few years, this will approach 100% with the continued growth of our online businesses, new investments in technology companies, and the completion of the digital transformation of our video-entertainment and media businesses.

It's a transformation that my team has been determined to achieve.

#### Optimising the portfolio

The initial focus in recent years was on optimising the portfolio. There were many assets with outstanding potential, like OLX. To take them to the next level, we needed to bring them together in defined segments with world-class leadership. There were also several underperforming assets we quickly addressed.

#### Accelerating growth

The second wave was focused on accelerating the growth in our ecommerce businesses by prioritising those with the most promise, and ensuring disciplined operational execution. We also consolidated several businesses, and our transactions with Schibsted and MakeMyTrip are good examples. Consistent with our strategy to find and realise value for our shareholders, we reallocated significant capital from assets we believed were at their peak to fund promising new growth areas. Allegro is a good example.

#### Crystallising potential

We have now entered the third phase, focusing on crystallising the potential of our core assets. So far, the group has relied heavily on the video-entertainment business for cash. In this phase, we should see reduced dependency on video entertainment for cash as the ecommerce business grows to profitability. We will concentrate on scaling core segments, including classifieds, online food delivery and payments. And we will continue to plant seeds for longer-term growth by selectively investing in new opportunities.

We recognise that the discount between our market capitalisation and the sum-of-the-parts valuation of

our businesses is a source of frustration for investors. We believe that crystallising potential together with structural actions that address the drivers of the discount will resolve this over time.

#### Performing strongly

So how has this journey played out in the year to 31 March 2018? We have concentrated on giving you a full answer through this integrated annual report, but I'd also like to summarise some of the key highlights.

#### Growing revenues and profitability

We delivered robust growth, recording consolidated year-on-year revenue growth of 9%. Group revenue,

measured on an economic-interest basis, was US\$20.1bn, up 38% on last year (or 39% in local currency and adjusted for acquisitions and disposals). Ecommerce and Tencent were key drivers of this growth. On the same basis, group trading profit rose 47% to US\$3.4bn (or 52% in local currency and adjusted for acquisitions and disposals). Ecommerce – particularly the classifieds, payments and travel businesses – improved profitability. Tencent's strong performance contributed to the trading profit acceleration. Core headline earnings, the board's measure of operating performance, was up 72% on last year at US\$2.5bn.

#### Our journey so far



#### Key events through the year



## Chief executive's review continued

### Internet

Internet revenues grew 50% (51%) to US\$15.9bn, fuelled by ecommerce and Tencent's strong results. Trading profit for the internet segment rose 50% (56%) to US\$3.1bn.

### Focus on ecommerce

In the ecommerce business, revenue growth accelerated to 36% versus 27% last year, with meaningful reductions in trading losses. Notably, the classifieds business (excluding letgo) became profitable and free cash flow (FCF) positive during the year and contributed to group trading profit. The payments business reduced trading losses on its existing footprint while continuing to scale. We strengthened our position in online food delivery services by investing a combined US\$1.4bn in Delivery Hero and Swiggy.

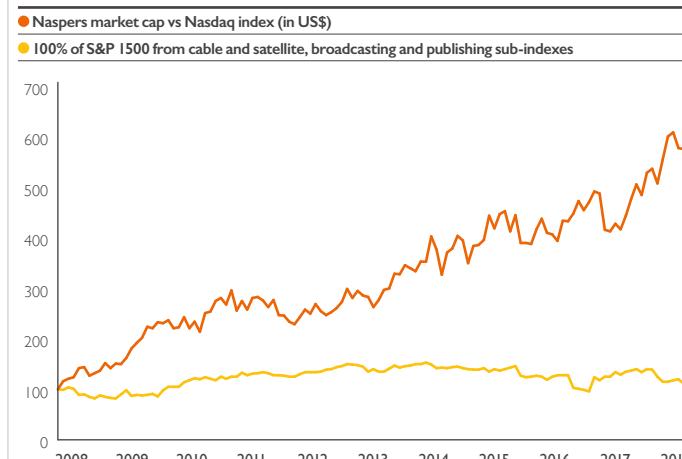
### Focus on Tencent

To reinforce the balance sheet and pursue growth opportunities in, among others, the classifieds, online food delivery and payments businesses, we reduced our interest in Tencent, through a sale, from 33.17% to 31.17% in March 2018, generating net proceeds of US\$9.8bn.

Naspers has not previously sold any Tencent shares since it invested in 2001. We consider Tencent to be one of the very best growth enterprises in any

### Our journey so far

#### NASPERS'S RELATIVE MARKET PERFORMANCE, MARCH 2008 – MARCH 2018 INDEX 31 MARCH 2008 = 100



**Note**  
Share of S&P 500 market cap from S&P composite 1500 for publishing, broadcasting and cable and satellite sub-industries. Source: FactSet

### INVESTMENT IN DELIVERY HERO AND SWIGGY

# US\$ 1.4bn

industry in the world, managed by an exceptionally able team. Naspers will not sell further Tencent shares for at least the next three years, in line with our long-term belief in Tencent's business.

### Video entertainment

Our video-entertainment business contributed steady revenue and trading profit growth, with trading losses in the sub-Saharan African business stabilising despite further currency weakness

in Nigeria and Angola. The business added 1 013 371 direct-to-home (DTH) subscribers and 520 979 digital terrestrial television (DTT) subscribers to bring the total base across Africa to over 13m households at 31 March 2018.

### Media

Media24 (all figures excluding Novus) produced stable results, with revenue flat year on year at US\$374m, against a backdrop of declining revenues from traditional media streams.

### Managing our assets

Across all our segments, throughout our different businesses, we are rigorously managing our assets and capital allocation for growth and financial returns. As you can see from the year's events outlined below, our active management ranges from reinforcing and expanding our existing

core businesses to increasing our holdings in key partners, from raising funds for reinvestment to encouraging and recognising innovation.

#### TOTAL VIDEO-ENTERTAINMENT SUBSCRIBERS ACROSS AFRICA (HOUSEHOLDS)

# >13m

Post the year-end, we announced the sale of our entire interest in Flipkart, India's largest ecommerce marketplace for US\$2.2bn, representing an internal rate of return (IRR) of some 32%. India is one of the most exciting markets in the world and we are proud to back Indian entrepreneurs whom we believe have what it takes to build outstanding and long-lasting businesses. Our decision to dispose of our interest in Flipkart is consistent with our strategy to realise returns from businesses we help to build. We invest in businesses where we can influence and contribute to growth.

fundamental needs of people – changing their lives for the better.

### Looking ahead

Looking ahead, we will use our strong balance sheet to accelerate the growth of our classifieds, online food-delivery and payments businesses globally and to pursue additional growth opportunities that we aim to identify early. We will continue to scale our ecommerce and sub-Saharan African video-entertainment businesses and drive them closer to profitability. And we will also continue to focus on innovation, particularly in the areas of machine learning, and on navigating macroeconomic headwinds and managing costs in mature businesses.

We made good progress this year and I look forward to working with our teams around the world in the year ahead to continue on our path of growth.

**Bob van Dijk**  
Chief executive

22 June 2018

**"From helping a farmer in Kenya buy a life-changing secondhand bicycle to helping people send money home to relatives wherever they are in the world, Naspers answers local needs on a global scale."**

Our activities vary but the core of what we do is find and back local entrepreneurs around the world and help them scale their businesses. We prioritise businesses with platform potential in high-growth markets; those that can become a frequent customer destination. These tend to address the

2017

Together with Innova Capital, we invested a further US\$82m in Moviele. The investment will be used to expand Moviele's presence in food delivery.

We held an Investor Day in New York, giving investors the opportunity to understand progress made in our ecommerce businesses, and hear our group chief executive and chief financial officer (CFO) discuss our strategy, returns on invested capital, and financials.

Jan

Our audit and risk committees and the board considered the work done by MultiChoice South Africa following the concerns that were raised in the media concerning lobbying and MultiChoice South Africa's relationship with ANN7.

Feb

We led another US\$100m funding round by investing a further US\$60m in Swiggy, India's leading online food-ordering and delivery platform.

Mar

The capital provides for further growth and improving the consumer experience on Swiggy's platform through investment in technology, new service offerings, logistics and restaurant services.

Following the acquisition, the group holds a 23% effective interest (22% fully diluted) in Delivery Hero.

# US\$60m

We reduced our stake in Tencent, from 33.17% to 31.17% – raising US\$9.8bn, which will be used to reinforce our balance sheet and fuel further growth.

During March 2018, following the receipt of regulatory approval, the group acquired Rocket Internet SE's interest in Delivery Hero for US\$778m.

# US\$9.8bn

# The Naspers approach ...

*From the way we view the world, to the entrepreneurs we partner with around the world, from how we invest to how we operate – our approach matters to all our stakeholders.*

1

We think global and support local teams.

► See page 14

2

We rigorously manage our assets and capital allocation for growth.

► See page 15

3

We understand the importance of making a positive impact on society.

► See page 16



We believe great ideas can change the world – addressing big societal needs, bringing people closer together, improving their lives, making them more enjoyable and enriching. We believe the best ideas often start locally, with savvy entrepreneurs meeting the needs of the people and communities they understand best. And when we see those same needs elsewhere, with our backing and their ambition, they can become global game changers. When we invest in entrepreneurs and their businesses, it's a partnership.

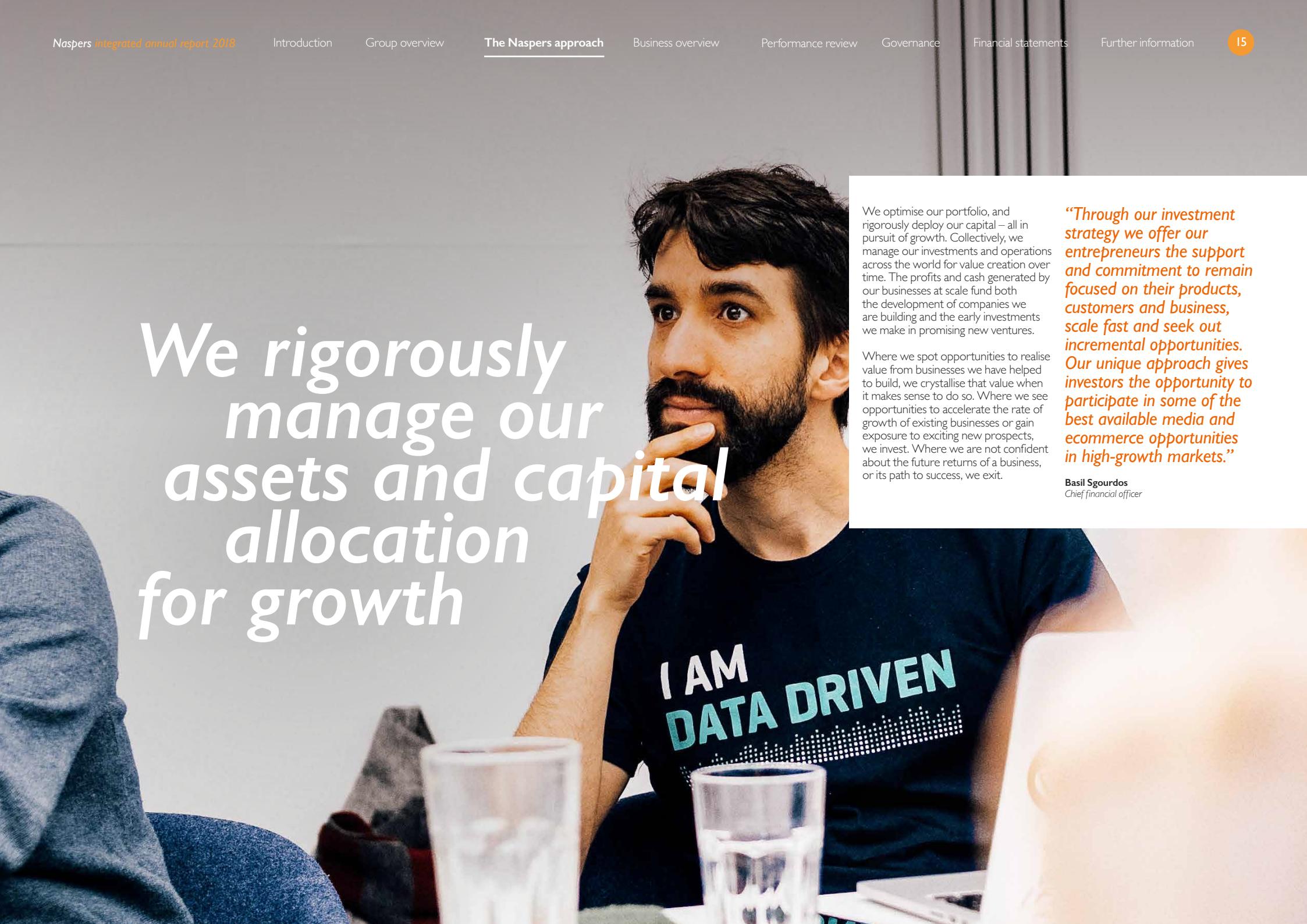
We bring resources, scale, experience, and expertise, and they bring their insight, ideas, passion, and ambition. Together, we work hard to take their company as far as it can go.

**18%**

OF PEOPLE GLOBALLY USE PRODUCTS AND SERVICES THAT NAPERS HAS BUILT, ACQUIRED OR INVESTED IN

*"We have a unique philosophy of backing local teams. Our companies know their customers best and they are best placed to make the right decisions for them. But we have global scale, which allows us to see patterns everywhere and we can quickly jump in and help entrepreneurs when needed."*

Bob van Dijk  
Chief executive



**We rigorously manage our assets and capital allocation for growth**

We optimise our portfolio, and rigorously deploy our capital – all in pursuit of growth. Collectively, we manage our investments and operations across the world for value creation over time. The profits and cash generated by our businesses at scale fund both the development of companies we are building and the early investments we make in promising new ventures.

Where we spot opportunities to realise value from businesses we have helped to build, we crystallise that value when it makes sense to do so. Where we see opportunities to accelerate the rate of growth of existing businesses or gain exposure to exciting new prospects, we invest. Where we are not confident about the future returns of a business, or its path to success, we exit.

**“Through our investment strategy we offer our entrepreneurs the support and commitment to remain focused on their products, customers and business, scale fast and seek out incremental opportunities. Our unique approach gives investors the opportunity to participate in some of the best available media and ecommerce opportunities in high-growth markets.”**

**Basil Sgourdos**  
Chief financial officer



We play a significant role in the world. We invest in and operate companies in more than 120 markets and countries, with thousands of people building products and services used by hundreds of millions of consumers every day. As we go about our business, we take our responsibility to hold ourselves to the highest standards seriously.

We believe in balancing the needs of all our key stakeholders, including the entrepreneurs we partner with, the people we employ, the consumers and communities we serve, the governments we work with, our investors, and those who form important opinions about us.

The companies we build, the people we employ and the taxes we pay all create value, helping to build stronger economies in the countries we invest, work and live in.

Across the group we support a range of corporate social initiatives that make a real difference to the people and communities who benefit from them. Our governance structures, code of business ethics and conduct and various policies, provide the frameworks and guidance for our people to do the right thing.

---

**x 7**

DIVIDENDS PAID IN TAXES  
TO GOVERNMENTS

CORPORATE CITIZENSHIP INITIATIVES  
ACROSS THE GROUP BENEFIT  
MORE THAN

**600 000**

PEOPLE

# We understand the importance of making a positive impact on society

# Our business model

**Creating value for our stakeholders**

**We anticipate changes in the world around us ...**

Machine learning and artificial intelligence will soon become an integral part of everything we do.

► Read more on page 19

**... and we take into account the views of our stakeholders.**

Engaging with our stakeholders, understanding their perspectives and feedback.

► Read more on pages 20 to 25

**The resources we need (Our six capitals)**



Financial



Human



Social and relationship



Manufactured



Intellectual property



Natural resources

**How we add value**  
We pursue growth by building leading companies that empower people and enrich communities.

*What we do:*

Partner with entrepreneurs

Optimise

Create sustainable leadership positions

Invest

Build businesses with broad potential

Grow

Focus on high-growth markets

Address big societal needs

**Underpinned by our active capital allocation and strategy.**

We ensure we optimise our portfolio for growth and competitiveness.

► Read more on page 26

**For all our stakeholders**

**Customers**

Provide exciting and innovative products and services to improve our customers' lives.

**Employees**

Create a compelling place to work where our people are engaged and motivated to achieve their full potential.

**Shareholders and investors**

Deliver long-term shareholder value through disciplined capital allocation, differentiated execution and strong financial performance.

**Suppliers and partners**

Treat our suppliers fairly and drive high social, ethical and environmental standards in the products and services we buy.

**Local communities**

Invest in improving the communities we operate, live and work in.

► Read more on pages 36, 43, 46 and 47

**Industry**

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

**Regulators**

Engage in developing dialogue and policy that support vibrant industries and benefits stakeholders.

We create value for key stakeholders across all our businesses.

**REVENUE**

**US\$20.1bn<sup>(1)</sup>**

**TRADING PROFIT**

**US\$3.4bn<sup>(1)</sup>**

**CONSOLIDATED DEVELOPMENT SPEND**

**US\$669m**

**CORE HEADLINE EPS**

**581 US cents**

**INVESTMENT IN EMPLOYEE TRAINING**

**US\$17m**

Note

(1) Presented on an economic-interest basis.

**PROPOSED DIVIDEND PER SHARE**

**650 SA cents**

**TAXES PAID TO GOVERNMENTS WHERE WE OPERATE**

**US\$1.4bn**

**ENVIRONMENT**

All emissions (scope 1 and scope 2) totalled 87 022.47 (2017: 184 458) tonnes of CO<sub>2</sub>e with electricity the highest contributor of total measured emissions at 78%. MultiChoice is the largest contributor within the scoped entities representing 65% of the total emissions. The carbon footprint excludes Novus which historically was the largest contributor to total emissions measured.

# Reporting on the six capitals

In line with best practice for integrated reporting, we report on the six capitals that together provide a true picture of value across the group: financial capital, human capital, manufactured capital, intellectual capital, social and relationship capital, and natural capital.



## Financial capital

This covers the financial funds and assets across the group.

[Our story in numbers.](#)



## Human capital

This covers the skills, development, opportunities and well-being of people, notably the thousands of people we employ around the world.

[Our people story.](#)



## Manufactured capital

This covers our investments in the facilities and technology across the group.

[Our infrastructure story.](#)



## Intellectual capital

This covers the ideas, information, inventions, procedures, source code, domains, know-how and knowledge we create, own and protect through, for example, patents, copyrights and trademarks.

[Our intellectual property \(IP\) story.](#)



## Social and relationship capital

This covers the relationships we build with customers, communities, trade organisations and other groups we work with and contribute to.

[Our social story.](#)



## Natural capital

This covers the natural resources we have an impact on, for example, the energy we use and the water we conserve.

[Our green story.](#)

This way of telling a comprehensive, connected story fits well with our holistic view of value and our focus on creating sustainable value for long-term good.

# The world around us

Taking a long-term view at the world around us, we see key macroeconomic, regulatory, technology and competitive trends at work. We believe all these trends work in our favour as we continue to pursue our disciplined high-growth strategy.

## Key trends

- 1 Global growth is continuing to increase.
- 2 Machine learning (ML) is likely to be the next transformational computing paradigm shift.
- 3 Regulatory responses to the tech revolution are material.
- 4 Global shortage of digital talent.

## Macroeconomic trends

### Global growth is continuing to increase

The global upswing in economic activity continues to strengthen. In 2016 global growth was 3.2%, the weakest since the 2008/9 global economic crisis. It was projected to rise to 3.6% and 3.7% in 2017 and 2018 respectively. Financial conditions remain upbeat across the world, but the sustainability of the global recovery remains vulnerable.

PROJECTED GLOBAL GROWTH  
RISE FOR 2018

**3.7%**

## Technology trends

### The tech story is shifting from mobile to machine learning (ML)

In thinking about which platforms could ignite the next cycle of value creation, there are many emerging technologies to consider, each in a different phase of its adoption curve. While mobile platforms are maturing, ML is entering the phase of mass adoption. After decades of overpromising, ML is finally starting to deliver real-life benefits as a confluence of factors drives development. Many new winners can be created by applying ML to distinct problems. As such, all our portfolio companies will seek to integrate ML tightly into their business processes.

## Regulatory trends

### Regulatory responses to the tech revolution are gaining momentum

Regulations affecting our business are increasing globally.

Responses to the evolving geopolitical and macroeconomic environment and the transformational technological (r)evolution will continue to gain impact. We invest in high-growth markets as a global partner empowering local entrepreneurship, with genuine local impact and value creation – including employment, innovation and financial contribution.

## Talent trends

### There is a global shortage of digital skills, and the best people have real choices about where to deploy their talents

Across the world, there is a shortage of digital skills, from software developers, to product designers, ML/AI specialists, cloud computing specialists, digital marketers and digital content creators. This competition is increasingly global, with talented people being courted by global players and having the opportunity to work outside their home country if they choose to do so. Additionally, the structure of work is changing, and individuals no longer strive for the relative security of a big organisation, often preferring to be self employed in the 'gig economy' or having the confidence to start their own business straight out of university. In this environment, employees are likely to change employers much more frequently than in the mid-late 20th century, and expect a compelling proposition from their employer where they can learn and grow within a relatively flexible structure. To be successful, digital companies must be effective at competing for and retaining talented people.

## Growth around the world

The top 10 economies measured by gross domestic product (GDP) are shown below:

		2017 (US\$'bn) <sup>(1)</sup>	2022E (US\$'bn) <sup>(1)</sup>	2017 rank	2022 rank	2017-2022E growth <sup>(2)</sup>
1	United States	19 362	23 505	1	1	1.9%
2	China	11 938	18 383	2	2	6.3%
3	Japan	4 884	5 482	3	3	0.8%
4	Germany	3 652	4 452	4	4	1.6%
5	France	2 575	3 162	5	6	1.8%
6	United Kingdom	2 565	2 961	6	7	1.6%
7	India	2 439	3 924	7	5	7.7%
8	Brazil	2 081	2 629	8	8	1.7%
9	Italy	1 921	2 244	9	9	1.1%
10	Canada	1 640	2 052	10	10	2.0%
For reference:						
12	Russia	1 469	1 805	12	12	1.6%
24	Poland	510	698	24	23	3.0%
29	Nigeria	395	633	29	25	1.6%
33	South Africa	344	419	33	36	1.7%

Source: International Monetary Fund World Economic Outlook Database (October 2017), issued 10 October 2017.

## Notes

E = Expected.

(1) GDP in US dollars at current prices.

(2) Average annual growth rate of GDP, represented in national currency at constant prices, over six years.

# Engaging our stakeholders

*Building constructive relationships with our key stakeholders is critical to our business. We are focused on long-term success and making a lasting difference around the world. It is about creating sustainable value in the broad sense. A sense that plays out across the six capitals and considers, engages and involves all our stakeholders.*

## Our key stakeholders and why they matter to us

### Customers

Our products and services are enjoyed by millions of customers around the world – from individuals to businesses. We want to delight them.

#### CUSTOMERS

#### Dedication to increasing customer satisfaction

#### NUMBER OF MARKETS AND COUNTRIES

> 120

### Shareholders and investors

We are a for-profit organisation committed to growing and increasing value for our investors.

#### SHAREHOLDERS AND INVESTORS

#### Strategic focus on good returns long term

#### KEY RELATIONSHIPS

#### Indices, stock exchanges

### Employees

Our employees are at the heart of our success – their commitment and entrepreneurial drive make all the difference.

#### NUMBER OF EMPLOYEES

**24 887**

### Industry and business partners

We want to be an industry leader that works closely with partners across the group.

#### TYPES OF CAPITAL PROVIDERS

#### Industry associations, authorities and commissions

### Government and regulators

We recognise how important it is to work with governments and regulators, particularly given that many of our businesses have such a big impact on people's lives.

#### KEY RELATIONSHIPS

#### Government, sector organisations, industry bodies

### Society

We are committed to making a lasting positive impact. We want to make a difference to society, the world we live in.

#### TYPES OF CAPITAL PROVIDERS

#### Public, media, suppliers, NGOs

## The issues that matter most

### Return on investment

We closely manage our assets and capital allocation to deliver strong returns on investment.

### Tax

We take a responsible approach to tax, making sure we pay full and fair taxes in local jurisdictions around the world in order to contribute positively to communities.

### Privacy and cybersecurity

We focus a great deal of expertise and resources on ensuring privacy and cybersecurity for our customers and across our group.

### Quality of user experience

Our businesses focus on making their products and services as easy, enjoyable and useful as possible for our millions of customers around the world.

### Trust and fraud

Throughout our group we build trust with our customers, colleagues and communities by behaving openly and responsibly and actively tackling key threats such as online fraud.

### Competition and M&A

We seek to compete successfully and fairly around the world, complying with international and local competition law.

### Remuneration

We remunerate our people competitively in order to attract and retain top talent and reward them well for their performance and contribution to Naspers.



### Talent development and transparency

We are committed to increasing the skills and capabilities of all our people to advance their careers and contribute as much as possible to Naspers.

### Increasing customer satisfaction

Across our group we focus a great deal on understanding and meeting the needs of our customers. In our video-entertainment business for example, our strategies are rooted firmly in customer centricity and our belief that the better we can serve the customer, the more sustainable the business will be.

### Gaining insights

We also believe that improving our customer satisfaction score (CSAT) will increase customer lifetime value. CSAT provides customer insights in addition to other business metrics that are normally evaluated as part of business performance. These insights are crucial in aligning internal activities to meet customer expectations and deliver against our promises across the customer journey. This in turn is key to yielding a higher return on investment.

## Engaging our stakeholders

continued

### Ensuring the best service

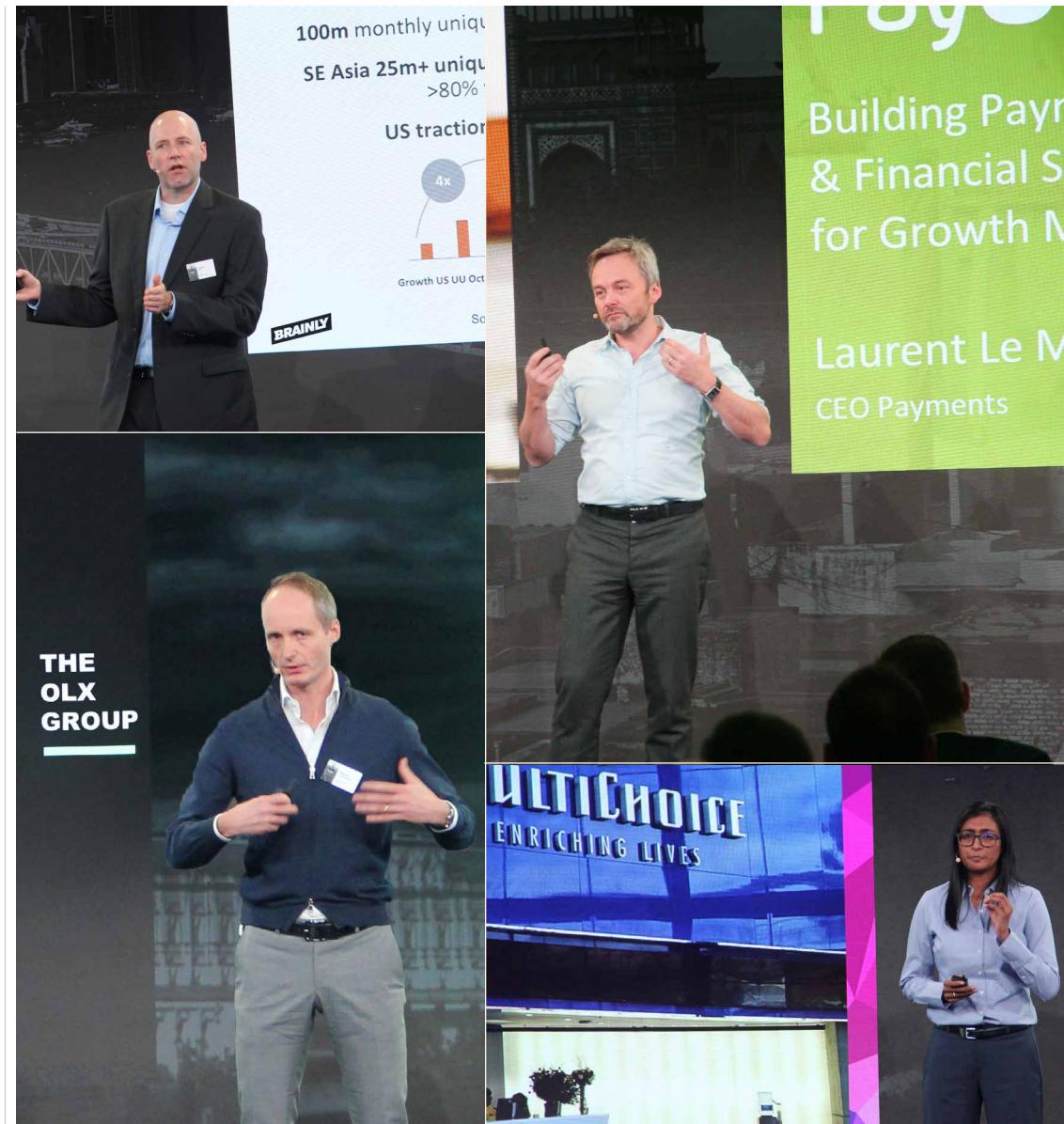
SuperSport drives the biggest revenue on the DStv platform and the majority of its customer base is on the Premium subscription. The focus here is on:

- Retaining customers.
- Keeping customers happy by delivering superb customer-service experience.
- Creating a bigger potential subscriber growth by word of mouth due to the service delivered on calls and social media platforms.
- Ensuring customers are the centre of the business and therefore deserve the best service from us.

### Striving for excellence

We strive to serve the customer with excellence (80% CSAT).

- Call listening sessions are done every week between team leader and agent to assess the service to the customer and give coaching where needed.
- Call reports are sent to all senior management to address any complaints, with departments accountable for the complaint.
- Screening and training are carried out for all additional employees who assist when there is a shortage or influx of work volumes, for example during special events, or live sporting events.
- Specialised employees assist with email queries, ensuring a 24-hour turnaround.
- Workforce planning supports staffing requirements and scheduling.
- We ensure employees are truthful and represent the business's best interests when interacting with customers.



### Investor day

On 12 December 2017 we held an Investor Day in New York. The event was attended by more than 130 investors with another 234 via webcast. The subsequent four weeks saw another 474 people viewing the uploaded version of the events on our website, bringing the total number of participants/attendees one month later to 708. The day was hosted by Bob van Dijk and Basil Sgourdos, with support from segment management who delivered presentations and answered questions about online classifieds, payments, eTail, ventures and online food delivery, and video entertainment. The Investor Day was an opportunity to provide more information about our strategy, business objectives, and the key targets against which performance can be measured.

***"Overall, the presentation gave us more comfort on the growth and profitability outlook of the classifieds, payments and food-delivery businesses in particular. It also provided greater reassurance on management optionality to narrow the discount through greater disclosure, improved liquidity (to access new pools of capital) and greater engagement with shareholders."***

**Source:**  
Naspers Ltd (NPNJ:L): Key takeaways from the Investor Day.  
Goldman Sachs Global Investment Research  
13 December 2017

Engaging our investors.



## Engaging our stakeholders

continued

Material stakeholders	How we engage with them	Main issues	Our response	Capital impact
<b>Customers and users</b>	<ul style="list-style-type: none"> <li>• Call centres</li> <li>• Electronic communication (email, sms, apps, web platforms and social media platforms)</li> <li>• Showrooms</li> <li>• Surveys and market research</li> </ul>	<ul style="list-style-type: none"> <li>• Good customer/user service and experience (fast delivery, return, feedback).</li> <li>• The right/competitive pricing and range of products.</li> <li>• Content preference.</li> <li>• Trust and safety.</li> <li>• Data privacy.</li> </ul>	<ul style="list-style-type: none"> <li>• Continuous improvement of range of products, customer experience, pricing and product range by our group businesses, for example:           <ul style="list-style-type: none"> <li>– eMAG:               <ul style="list-style-type: none"> <li>• Loyal client campaigns with special discounts.</li> <li>• 24/7 call centre service.</li> <li>• Sales consultants in showrooms.</li> <li>• Diverse delivery options, including free delivery over certain amounts and a two-hour delivery option.</li> <li>• Net Promoter Score monitored regularly.</li> </ul> </li> <li>– FY17: 62%</li> <li>– FY18: 59%</li> </ul> </li> <li>• The trend is declining, as marketplace share is growing and the customers rank the experience as being poorer. eMAG is working on several projects to reverse the trend:           <ul style="list-style-type: none"> <li>– seller performance monitoring – we will deactivate the sellers with poor performance</li> <li>– seller training</li> <li>– IP on time delivery focus, and</li> <li>– IP customer service focus.</li> </ul> </li> <li>– Movie:           <ul style="list-style-type: none"> <li>• Responded to 100% of complaints and 70% of customers believed the problem was solved.</li> <li>• Dedicated product teams.</li> </ul> </li> <li>• Initiatives to address content preference, for example:           <ul style="list-style-type: none"> <li>– Media24: Feedback from readers taken into account by editorial teams in content planning. Letters to editors are published and editors respond to readers.</li> <li>– Video entertainment: Deep viewership analysis supplemented by regular consumer research and customer feedback drives content decisionmaking.</li> </ul> </li> <li>• Initiatives to address trust and safety concerns, for example:           <ul style="list-style-type: none"> <li>– OLX: Created a global trust and safety programme and launched initiatives to promote online safety, including workshops and social media communications.</li> <li>– PayU: A communication and awareness programme on trust and safety issues relating to consumers and merchants is in place. The programme communicates preventive measures in place at PayU and is designed around privacy, phishing, fraud detection, balance protection and tips for online shopping.</li> </ul> </li> <li>• Naspers has a data-privacy programme led by the head of data privacy, and adopted a group cybersecurity policy.</li> </ul>	   

## Engaging our stakeholders

continued

Material stakeholders	How we engage with them	Main issues	Our response	Capital impact
<b>Employees</b>	<ul style="list-style-type: none"> <li><b>Meaningful work:</b> Our people join us because they want to make a difference. We work on designing jobs and organisations that create a line-of-sight between individuals and the impact they have. We have a performance culture, and we strive to ensure that individual effort is aligned with business objectives. We encourage ongoing conversations between our people and their managers in this respect. We offer relevant compensation packages that allow us to compete for talent and reward the best performers.</li> <li><b>Development:</b> Our people stay because we offer them the opportunity to learn and grow professionally. On the job, we seek to provide our people with new experiences and the opportunity to use their skills in different ways. We encourage our people to create personal development plans, supported by their managers. Through MyAcademy across the group, and additional efforts within each business, we offer our people relevant formal learning opportunities.</li> <li><b>Culture and leadership:</b> We work hard to preserve a culture of entrepreneurship, with open and honest communication and inspiring leadership. We believe that the experience of our people is heavily influenced by their direct manager and we are investing in the quality of people management across the group. We create forums for the exchange of information and ideas, eg onboarding sessions for new people, internal websites, 'all-hands' meetings with leadership, networking sessions across the group, organised by skillset and region. Where appropriate, we also engage formally through employment equity forums (South Africa) and workplace forums, work councils and trade unions.</li> </ul>	<ul style="list-style-type: none"> <li>Global shortage of digital talent.</li> <li>Business restructuring.</li> <li>Employee retention.</li> <li>Diversity.</li> </ul>	<ul style="list-style-type: none"> <li>We believe that diverse teams produce the very best results and we are committed to creating workplaces that are inclusive and welcoming to people of diverse origins, preferences, backgrounds and perspectives.</li> <li>Continuous conversations between people and their managers on performance, career development plans and recognition.</li> <li>Fair, responsible and competitive pay practices: group companies operate in framework established by the Naspers human resources and remuneration committee. (Refer to the Naspers good governance guidelines).</li> <li>Clear and regular communication on businesses' performance and strategy by leadership.</li> <li>Analysing employee engagement results and formulating plans and allocating responsibilities to improve employee confidence and build an engaging work environment.</li> <li>Diversity awareness programmes; women's development programmes.</li> <li>Dealing with business restructuring fairly and transparently, and supporting employees who are required to transition out of the organisation.</li> </ul>	 

## Engaging our stakeholders

continued

Material stakeholders	How we engage with them	Main issues	Our response	Capital impact
<b>Investors and shareholders</b>	<ul style="list-style-type: none"> <li>Annual financial statements</li> <li>Interim and provisional reports</li> <li>Financial results presentations</li> <li>Annual integrated report and interim reports</li> <li>Press and SENS announcements</li> <li>Reporting via corporate website and corporate documents (factsheet)</li> <li>Investor meetings and teleconferences</li> <li>Investor Day</li> <li>Business visits</li> <li>Dedicated email communications (<a href="mailto:Investorrelations@Naspers.com">Investorrelations@Naspers.com</a>)</li> <li>Directors are available at the annual general meeting to respond to queries</li> </ul>	<ul style="list-style-type: none"> <li>Strategy to sustain good past returns over the long term.</li> <li>Holding company discount.</li> <li>Perceptions of poor governance around MCSA/ANN7 issue.</li> <li>Remuneration policy and disclosures.</li> <li>Control structure.</li> <li>Investment and development spend.</li> <li>Video Entertainment (VE) in sub-Saharan Africa (SSA) turnaround prospects.</li> <li>Negative free cash flow.</li> <li>Share option dilution and liability.</li> <li>Strategy for online food delivery.</li> </ul>	<ul style="list-style-type: none"> <li>Increased engagement with our shareholders (Investor Day, remuneration outreach).</li> <li>Enhanced disclosure and transparency.</li> <li>Enhancements to our remuneration policy.</li> <li>Disciplined capital allocation and taking action where we are not seeing expected returns.</li> <li>Communicating our approach to capital allocation and the returns it is delivering.</li> <li>Scaling our ecommerce investments towards profitability and stabilisation of VE in SSA.</li> <li>Continued investment in the investor relations (IR) function.</li> </ul>	
<b>Governments and regulators</b>	<ul style="list-style-type: none"> <li>Participation in advisory committees, meetings and public consultations</li> <li>Formal meetings and roundtables</li> <li>Response to sector and company-specific enquiries</li> <li>Participation in sector and industry associations and international fora</li> <li>Site visits (host official delegations)</li> <li>Integrated annual report and public announcements</li> </ul>	<ul style="list-style-type: none"> <li>Acquisitions and corporate market definitions.</li> <li>Consumer rights.</li> <li>Data protection and privacy.</li> <li>Intellectual property.</li> <li>Employment and social regulations.</li> <li>Taxation.</li> <li>Free and global trade and investments.</li> <li>Corporate social responsibility.</li> <li>Policies and regulations affecting our businesses, including media, video entertainment, technology, ecommerce and financial services.</li> </ul>	<ul style="list-style-type: none"> <li>Provide structures and detailed programmes to ensure compliance with all applicable laws and regulations.</li> <li>Formal representations and written submissions to express views.</li> <li>When invited or relevant, proactive discussion about future legislation in the form of expert advice, based on experience globally or technology and sector expertise.</li> <li>Invest in group capability and capacity to respond to inquiries, requests and interest in future legislation on issues affecting industry.</li> <li>Express views through media engagement and public speeches.</li> </ul>	    
<b>Media</b>	<ul style="list-style-type: none"> <li>Interviews, particularly around key announcements (eg results and significant transactions), and events (eg the AGM and Investor Day)</li> <li>Whenever possible, providing comment and information in response to media enquiries to our press office</li> <li>Provision of press releases, editorial and articles relating to the activities of Naspers and its companies</li> <li>Provision of reporting, news and thought leadership through the company website and Naspers channels, on Medium and LinkedIn</li> <li>Background and contextual conversations, use of right of reply, and where necessary, corrections of inaccurate reporting</li> </ul>	<ul style="list-style-type: none"> <li>Naspers financial performance.</li> <li>Strategic focus.</li> <li>New investments, M&amp;A and divestiture activity.</li> <li>Activities of our companies and associates.</li> <li>Weighting on the JSE.</li> <li>Holding company discount.</li> <li>Control structure.</li> <li>Perceptions of poor governance mainly due to MCSA/ANN7 issue.</li> <li>Remuneration policy and disclosures.</li> <li>Reliance on Tencent.</li> </ul>	<ul style="list-style-type: none"> <li>Created press office to provide faster response to inbound media enquiries.</li> <li>Proactively building media interview schedules and access to key management to provide context and background information in support of strategy and important news (eg results, significant transactions).</li> <li>Responding to requests for comment, participating in events and publishing commentary, as appropriate, in line with communications and IR policies.</li> <li>Held a joint press conference with MCSA in January to communicate the findings of the MCSA review.</li> </ul>	

## Engaging our stakeholders

continued

Material stakeholders	How we engage with them	Main issues	Our response	Capital impact
<i>Communities</i>	<ul style="list-style-type: none"> <li>Through our corporate social investment (CSI) programmes</li> <li>Public announcements and website</li> </ul>	<ul style="list-style-type: none"> <li>Local employment and value creation, including supporting local business.</li> <li>Adherence to local laws and paying taxes due.</li> </ul>	<ul style="list-style-type: none"> <li>Corporate social responsibility programmes in the group such as Video Entertainment's MultiChoice Diski Challenge, Magic in Motion Academy and SuperSport Let's Play; Media24's flagship corporate social responsibility project, WeCan24, offering digital journalism training to high school learners and teachers; eMAG foundation, which supports education and programmes that facilitate the access to education, for pupils and students; and others.</li> <li>Developing products/services to meet societal needs, for example food delivery (iFood and Swiggy) and education (Codecademy and Brainly). Trading through online platform OLX by purchasing secondhand products lowers carbon emissions.</li> <li>Focus on hiring local employees, building local talent.</li> <li>The Naspers groupwide legal compliance programme is adopted by group businesses, tailored to unique risks and local laws (refer to pages 65 and 66).</li> <li>Board-approved group tax policy and tax disclosure in integrated annual report (refer to pages 29 and 30).</li> </ul>	    
<i>Business partners</i>	<ul style="list-style-type: none"> <li>Meetings, calls and electronic communication</li> </ul>	<ul style="list-style-type: none"> <li>Keeping abreast of relevant developments in the business.</li> <li>Their rights, including in relation to pricing, content, platform use, privacy and security.</li> </ul>	<ul style="list-style-type: none"> <li>Respectful engagement.</li> <li>Maintaining good relationships and regular communication with key management and business representatives.</li> <li>In the event of disputes, appropriate dispute resolution management.</li> <li>Negotiating relationship and agreement terms and requirements within agreed mandate.</li> <li>Where necessary, refining business approach in line with international norms</li> </ul>	    

# Active portfolio management

*Optimising our portfolio to deliver growth and competitiveness.*

## Capital allocation strategy

We have a systematic approach to how and where we allocate our capital. We typically invest in new businesses early on, focusing on opportunities that address big, societal needs and have potential to scale globally.

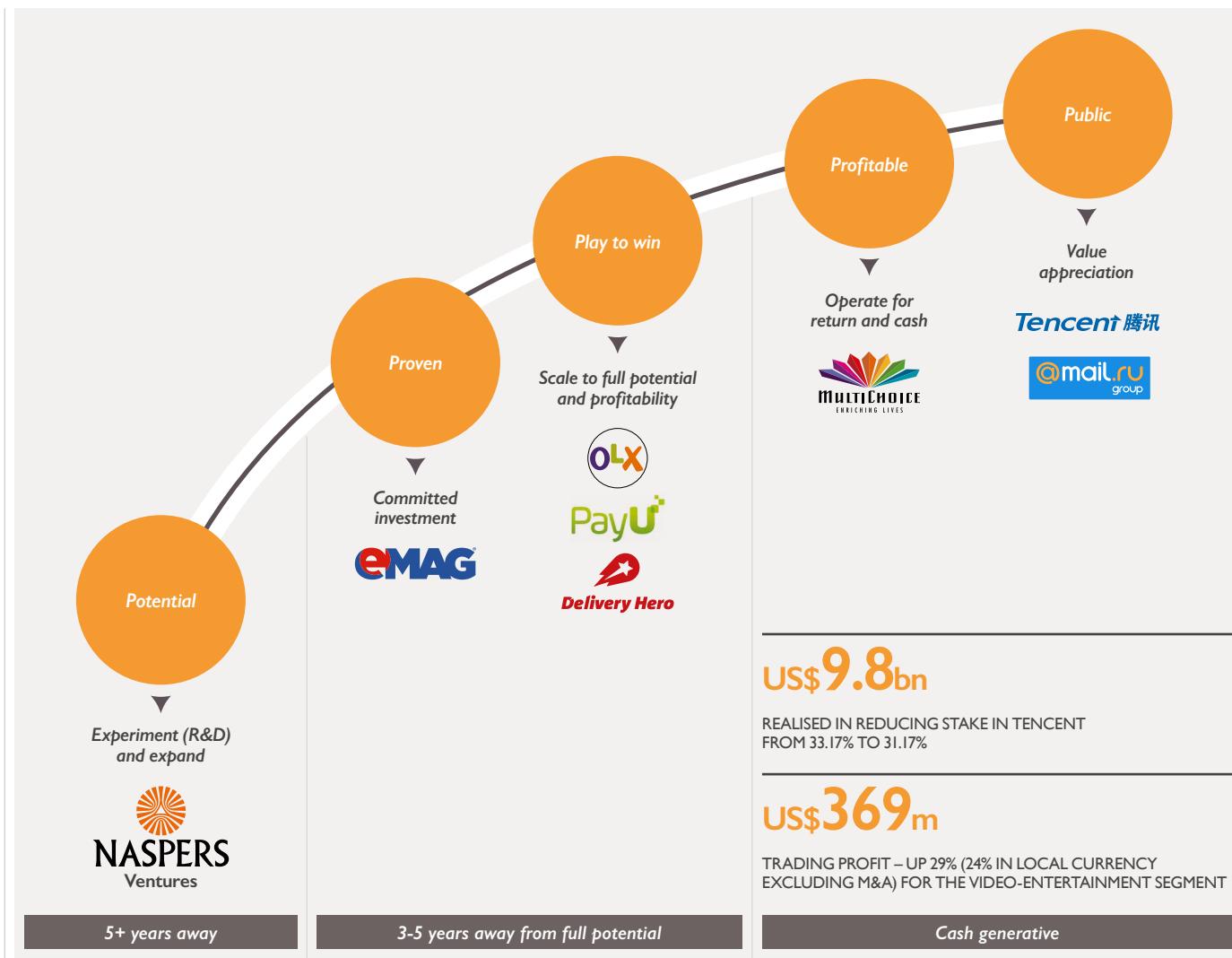
If we have evidence of good traction and sustained growth, we often 'double-down' on existing investments, helping them build scale and market leadership. Once we are comfortable about a compelling proposition, we go 'all-in', driving these businesses to profitability and cash generation, for example Classifieds.

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

## Investment criteria

During the course of a year, we look at numerous investment opportunities, but we apply strict criteria and are selective about where we invest:

- We look for business models that address big societal needs and have potential to scale globally.
- We partner with credible entrepreneurs and teams with vision, ambition and tenacity.
- We are disciplined in our valuation approach using fundamental techniques such as discounted cash flow analysis and we focus on anticipated return on invested capital.
- Proposed transactions are reviewed



by the investment committee, comprising senior executives with board-approved authority levels. Sizeable transactions go to the board for consideration and approval.

## Our strategic priorities

In recent years we have relied on video entertainment to fund our activities; in future, we aim to diversify our sources of cash by progressively moving our core ecommerce assets into profit.

## Overall, our priorities for the next few years include:

- Drive ecommerce to profitability.
- Continue to pursue scale in our core segments (classifieds, online food-delivery and payments businesses globally).
- Optimise value creation for non-strategic assets.
- Plant the seeds for longer-term growth by selectively investing in new growth opportunities with high potential.

# Capital performance snapshot

How we performed against our six types of capital in 2018

## Financial

We manage our finances rigorously to maximise performance. In 2018 we performed strongly, with significant growth in core headline earnings.

REVENUE <sup>(1)</sup> (US\$m)	TRADING PROFIT <sup>(1),(2)</sup> (US\$m)
2018 20 097	2018 3 403
2017 14 562	2017 2 322
2016 12 224	2016 2 150

DEVELOPMENT SPEND <sup>(1)</sup> (US\$m)
2018 956
2017 1 084
2016 961

CORE EPS <sup>(2)</sup> (US\$)
2018 5.81
2017 3.37
2016 2.76

### Notes

<sup>(1)</sup> Presented on an economic-interest basis.

<sup>(2)</sup> Prior periods restated for the group's change in calculation of core headline earnings and trading profit regarding Tencent's digital content amortisation.

### GROWTH IN CORE HEADLINE EARNINGS

72%

PROPOSED ANNUAL GROSS DIVIDEND  
INCREASED (GROWTH IN SA RAND TERMS)

12%

## Human – talented people

We are committed to supporting and encouraging all our people to develop their skills and capabilities to the full. In 2018 we delivered on this commitment in a number of ways – from individual talent development programmes to global resources such as MyAcademy.

### NUMBER OF EMPLOYEES

2018	24 887
2017	24 482
2016	27 429

### MYACADEMY

ACTIVE LEARNERS CONSUMED  
MORE THAN

26 000

ONLINE LECTURES AND ENGAGED  
IN MORE THAN

43 000

HOURS OF TRAINING



## Manufactured

From offices to warehouses to technology, we invest in and maintain a range of infrastructures across the group. iFood uses artificial intelligence and machine learning to reduce delivery times. They can deliver the pizzas far quicker – in 10 minutes, rather than 40. PayU focuses on protecting its valuable assets, notably its local payment platforms and data.

### INVESTMENT IN CAPEX (US\$m)

2018	139
2017	173
2016	228

### CUSTOMER SATISFACTION NPS SCORE

80%



## Intellectual property

We look for and back innovation across the group, making sure we protect the resulting intellectual property and make the best use of it. In 2018 we continued to encourage, invest in and protect innovation, with 50% of businesses introducing or enhancing innovative new products and services.

### BUSINESSES DRIVING INNOVATIVE PRODUCTS AND SERVICES

Each year eMAG holds a hackathon – 24 hours when coders unite to code something amazing, impress the judges and win great prizes. It is an excellent way to attract the best tech talent to a business with a strong focus on intellectual property (IP) that likes to develop its own software.

OLX rigorously protects its IP, defending the assets across more than 40 countries.



## Social and relationship

We place considerable emphasis on building strong relationships with customers, communities and other stakeholders across the group to ensure we have a long-term positive impact on societies.

ONE OF THE LARGEST TAX CONTRIBUTORS IN SOUTH AFRICA – PAID AND COLLECTED

US\$ 772m

### CORPORATE CITIZENSHIP INITIATIVES (REFER TO HOW WE ENGAGE WITH OUR STAKEHOLDERS ON PAGE 20)

OLX established a global trust and safety programme to act as the glue for all trust and safety initiatives.



## Natural resources

Across the group we endeavour to minimise the impact on the environment.

### BUSINESSES THAT REDUCE ENVIRONMENTAL IMPACT

In FY18 Takealot introduced 100% recycled delivery packaging.

### GREEN BUILDING

The MultiChoice City building in Johannesburg has a 5-Star Green Star rating from the Green Building Council of South Africa.

Media24 in Cape Town is implementing water-saving and resilience initiatives, running awareness campaigns, and developing plans to work differently to use water responsibly.

# Value creation

Naspers creates value for key stakeholders through its business model, drawing from its six capital pools.

Our key value-creation outputs for the group, its stakeholders and society are illustrated below.

## Employees

SALARIES, WAGES AND EMPLOYEE BENEFITS

**US\$1.4bn**

INVESTMENT IN EMPLOYEE TRAINING

**US\$17m**

PERMANENT EMPLOYEES

**24 887**

## Investors

FINANCE COST PAID

**US\$267m**

DIVIDENDS PAID TO NASPERS SHAREHOLDERS

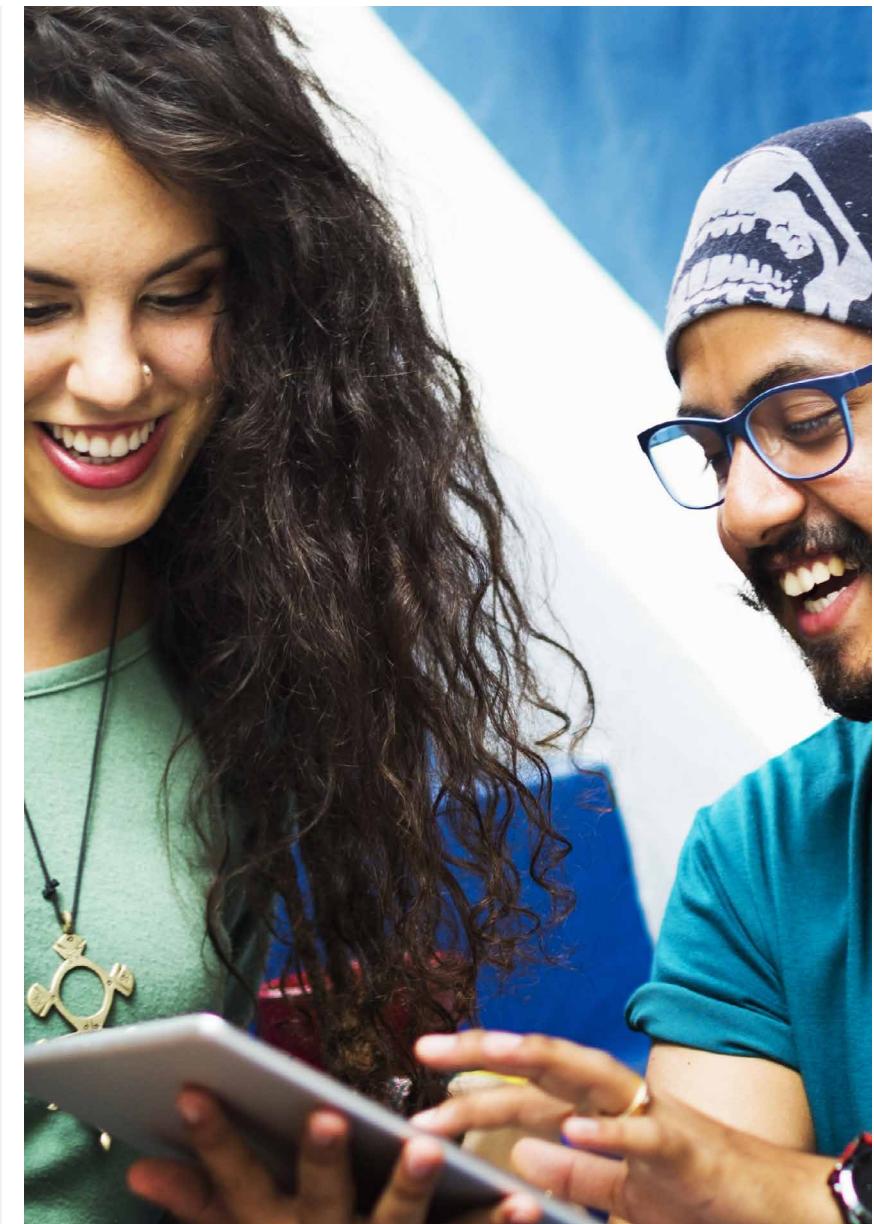
**US\$185m**

## Government

DIRECT AND INDIRECT TAXES PAID

**US\$1.4bn**

*Value creation*



# Tax

**Naspers aims to contribute positively to the communities within which it operates. As a global company, we recognise that the tax we pay is an important element of our broader economic and social contribution to the countries where we operate.**

We always aim to comply with tax laws in all countries where we operate and manage our tax affairs in the interests of all our stakeholders, including governments and our shareholders. Our tax principles are laid down in the Naspers group tax policy which is available on our website.

Naspers businesses pay taxes where they operate and, consequently, where revenues and profits are generated. We invest in businesses in many countries and, in an increasing number of countries, our businesses monetise, and in some, such as in South Africa and Poland, we have major operations that are profitable.

In FY18 taxes paid and collected\* by Naspers globally added up to US\$1 389m. The contribution to the fiscus of the individual businesses is in line with the state of maturity of the businesses. More mature businesses often pay more tax than less mature ones as the latter are often still in a loss-making phase having not reached their full potential. We continue to invest to grow and scale these businesses. Once the developing businesses become cash flow positive and profit generative, in most cases tax-loss carry forwards are first utilised before profits become taxable.

Naspers has a meaningful effective tax rate. The consolidated tax rate has consistently been higher than 30% of profits for more than 10 years. The

effective tax rate for FY18, excluding once-off gains from extraordinary transactions and including the taxes accounted for by our associates, is 36.8%.

This year the group disposed of a 2% interest in Tencent, which constitutes an extraordinary transaction. Under the participation exemption that applies to all South African corporates, and which exists to ensure there is no double taxation of profits, tax is not applicable to capital gains on the sale of shares in a foreign entity as long as the seller held more than 10% of the company at the time of the sale and the buyer is not (controlled by) a South African resident.

Taxes will be paid as the group declares dividends to its shareholders, while capital gains tax will also be levied on shareholders when they sell their shares in Naspers on any gain in value as a result of reinvesting funds.

Our most established and mature businesses are in Africa and provide video-entertainment services to consumers. On behalf of tax authorities Naspers paid and collected more than US\$935m on the African continent. More than 67% of taxes paid and collected globally over the past year were paid to tax authorities in Africa.

**Illustrative example of social benefits if National Treasury allocates the total tax contribution (including induced tax contribution) based on the FY2016/17 budget speech allocation.**

EDUCATORS

**7 571**

HOSPITAL BEDS

**1 758**

LOW-COST HOUSES

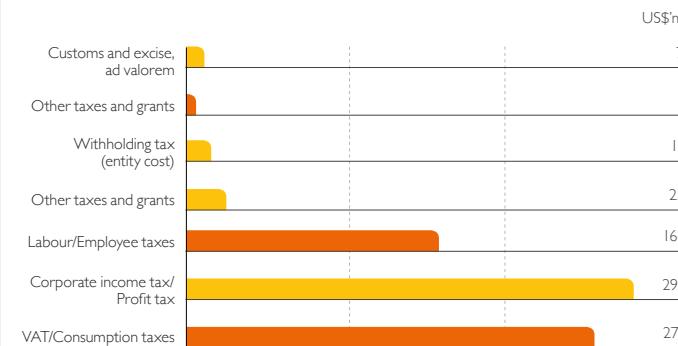
**4 913**

DOCTORS

**471**

## TOTAL TAX PER TAX TYPE (SA ONLY)

- Amounts collected on behalf of tax authorities
- Amounts paid to tax authorities



The Naspers group is one of the largest tax contributors in South Africa. In FY18 Naspers paid and collected R8.8bn (US\$772m). This accounts for 55% of taxes paid and collected by the group globally.

In the absence of readily available public data, we conducted our own research to estimate our total tax contribution versus the contribution of South African peers. Using FY17 tax data to conduct the comparison (as most of our peers' FY18 figures were not publicly available yet), the analysis shows that Naspers is among the top 10 largest taxpayers in South Africa. If levies and excise taxes are excluded, Naspers ranks as South Africa's sixth largest tax contributor.

Naspers, through its tax contributions, is able to contribute to the funding of national social objectives. As an illustrative example, Naspers's total FY17 tax contribution is able to fund 7 571 additional educators, 1 758 hospital beds, 471 doctors and 4 913 low-cost houses. This is based on the assumption that Naspers's total tax contribution is distributed in the same proportions as National Treasury's sectoral allocation in the 2016/17 budget. Naspers, as a reputable and tax compliant business, also helps the South African Revenue Service (SARS) to ensure collection and reduce collection costs. In these ways, Naspers's tax contributions are an enabler to the national economy and play an important role in South Africa's socio-economic development and upliftment.

In Europe, the group paid and collected US\$252m (18% of tax paid and collected globally), driven by the group's profitable internet operations in Eastern Europe. A number of these businesses are in their development phase (ie are growing fast), but typically are not yet profitable or at full potential and therefore still loss-making. As these businesses scale and deliver profits, they will start paying taxes in their respective countries.

## Companies under review

	Tax contribution (R'm)			Tax contribution (R'm) (excluding fuel, alcohol and tobacco levies)	Ranking
	Direct	Indirect	Total		
Peer #1	11 950	5 623	17 573	14 058	(2)
Peer #2	2 188	14 601	16 789	4 787	(8)
Peer #3	8 960	8 025	16 985	16 985	(1)
Peer #4	9 931	1 757	11 688	11 688	(3)
Peer #5	5 760	4 369	10 129	10 129	(4)
Peer #6	7 395	1 100	8 495	8 495	(5)
Peer #7	4 043	4 201	8 244	4 004	(9)
<b>Naspers</b>	<b>4 249</b>	<b>2 968</b>	<b>7 217</b>	<b>7 217</b>	<b>(6)</b>
Peer #8	4 886	1 292	6 178	6 178	(7)
Peer #9	2 227	1 146	3 373	3 373	(10)
Peer #10	2 464	254	2 718	2 718	(11)

\* Amounts paid to tax authorities consist of corporate income tax, withholding tax, customs, and other similar taxes borne. Amounts collected on behalf of tax authorities consist of indirect taxes like VAT, service taxes, employee taxes and other similar taxes.

**Tax**

continued

## Tax paid and collected in FY18 SA vs the rest of the world

AMOUNTS COLLECTED ON BEHALF OF  
TAX AUTHORITIES**US\$814m**

AMOUNTS PAID TO TAX AUTHORITIES

**US\$575m**

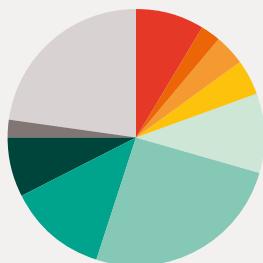
SOUTH AFRICA

**US\$435m**

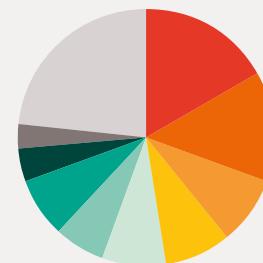
SOUTH AFRICA

**US\$337m**

REST OF THE WORLD

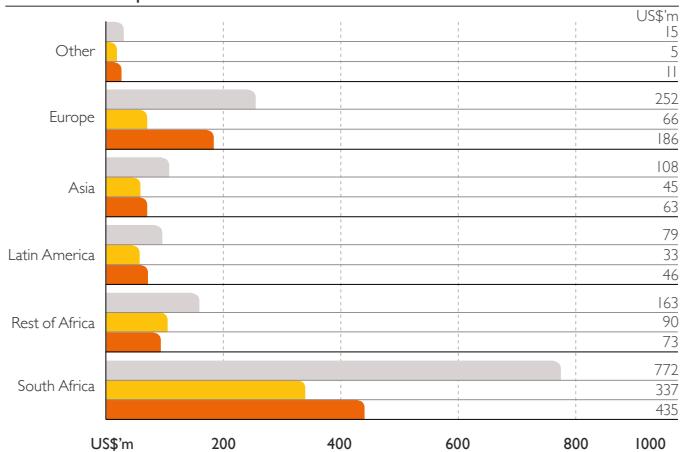
**US\$379m**

REST OF THE WORLD

**US\$238m**

## TAX PAID AND COLLECTED PER GEOGRAPHICAL AREA

● Total ● Amounts paid to tax authorities ● Amounts collected on behalf of tax authorities



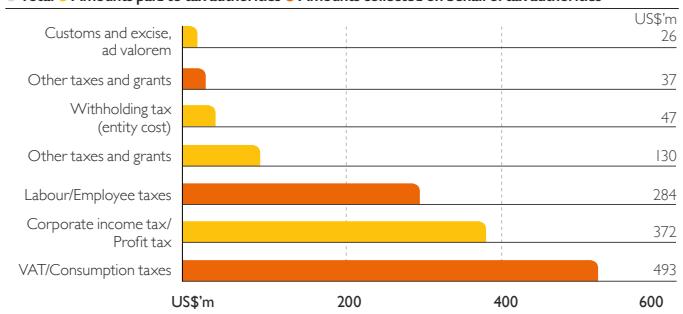
Taxes paid in Asia and Latin America, where most of our businesses are still in the development phase and therefore loss-making, amounted to US\$187m (13% of tax paid and collected globally). In Asia we are net recipients of tax inflows primarily due to VAT and indirect tax refunds while our businesses are still loss-making. This position will change as our businesses scale and deliver profits.

The largest taxes are those we pay domestically in the countries we operate in and primarily relate to VAT and consumption taxes, corporate income tax and taxes withheld on behalf of our employees in the respective countries.

Video entertainment, as our most mature segment, pays the highest taxes. The group has an increasing number of profitable ecommerce entities which drive the taxes paid in ecommerce. As we continue to scale our ecommerce segment and add more profitable businesses, these taxes will increase.

## TAX PAID AND COLLECTED PER TAX TYPE

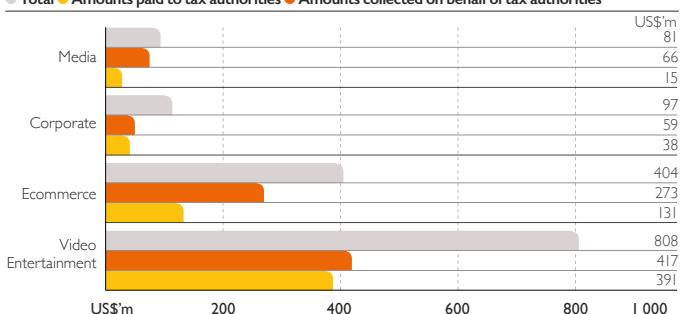
● Total ● Amounts paid to tax authorities ● Amounts collected on behalf of tax authorities



While our media business in South Africa is seeing a decline in its legacy print operations, it is making substantial investments in a number of digital and online growth opportunities. After the sale of Novus Holdings, the media business is loss-making. The businesses employ 3 719 (2017: 3 848) salaried employees; 28 (2017: 1) waged employees and 209 (2017: 343) temporary workers in South Africa and, despite incurring losses, still collect a meaningful amount on behalf of tax authorities.

## TAX PAID AND COLLECTED PER SEGMENT

● Total ● Amounts paid to tax authorities ● Amounts collected on behalf of tax authorities



With businesses in some of the most exciting markets in the world, and a focus on long-term growth, we are proud of the significant contribution we make to the communities we serve globally, and society at large.

# Performance review





**Building on the successes of previous years and continuing to execute our disciplined growth strategy, we performed strongly across our portfolio of internet, video-entertainment and media businesses.**

**Rising internet revenues, increasing video-entertainment subscribers, smart investments in society-changing areas, award-winning journalism on important issues – we enjoyed many successes across our three segments.**

---

**79%**<sup>(I)</sup>

of group revenue now comes from our internet and ecommerce activities

---

**No. 1**

shopping/lifestyle apps in more than 22 countries

*Note*

<sup>(I)</sup> On an economic-interest basis.

# Internet

From platforms that make communicating, entertainment, shopping and paying for things easy, safe and enjoyable to specialised ecommerce services such as great local online food delivery – we focus on high-growth internet businesses that make a lasting positive difference to people around the world.

## Highlights of the year



### Classifieds

OLX continued to grow around the world and turned profitable and free cash flow positive in the year (excluding letgo).



### Payments

PayU enjoyed healthy growth, with total payments volume exceeding US\$25bn, and made key investments in Kreditech and Remitly.



### Online food delivery

We continued to invest in this promising sector, including a 22% stake in Swiggy and 23% stake in Delivery Hero. Revenue for iFood was up 121% year on year.



### Etail

We achieved strong growth across all our etail businesses and eMAG's Romanian business became profitable. (Post year-end we signed an agreement to sell our stake in Flipkart for US\$2.2bn, representing an internal rate of return (IRR) of 32%).



### Travel

MakeMyTrip strengthened its leadership in India. In its third quarter, MakeMyTrip delivered 94% year-on-year growth on revenue less service costs, while improving operational efficiencies.



### Ventures

We continued to invest in key opportunities such as edtech. Post year-end we invested US\$35m in Honor, a mid-stage home-care company that helps older adults live safely and comfortably in their own home by enabling reliable and high-quality care.



### Social and internet platforms

Tencent continued to excel in China.

Mail.ru strengthened its position as Russia's number 1 internet group.



Read more on page 34

Read more on page 35

Read more on page 37

Read more on page 37

Read more on page 39

Read more on page 39

Read more on page 40

INTERNET REVENUES GREW 50%  
(51%) TO

**US\$15.9bn<sup>(1)</sup>** **US\$3.1bn<sup>(1)</sup>**

fuelled by ecommerce and Tencent's  
remarkable results

TRADING PROFIT ROSE 50%  
(56%) TO

**79%**

Note  
<sup>(1)</sup> Presented on an economic interest basis.

THE INTERNET SEGMENT NOW  
CONTRIBUTES

**79%**

of group revenue, up from  
73% last year

WE INCREASED OUR FOCUS ON  
AND INVESTMENT IN

**key high-growth areas**

such as food delivery

# Markets

## Indian ecommerce

The Indian ecommerce market is still in its early stages of development and continues to hold significant long-term potential. With growing (mobile) internet penetration and a shift from offline to online retail, India's online retail market is expected to grow by a 22% compound annual growth rate (CAGR) to US\$68bn by 2021 (Euromonitor).

## South African online retail

South African online retail presents a substantial opportunity. From 2016 to 2021 it is expected to grow at 15% annually. Low rates of internet penetration (58% in 2017) and online retail penetration (1% in 2017) suggest significant offline-to-online migration will propel this growth.

## Online payments in emerging markets

Online payments in emerging markets are expected to grow twice as fast as in mature markets. Two key factors are driving this growth: the regulatory push towards cashless payments, eg UPI in India, and accelerating online cross-border payments, expected to be approximately 30% of the ecommerce volume by 2020, up from approximately 20%. Against this backdrop, the payments industry saw over US\$40bn of global M&A in 2017.

## Chinese growth

China's internet population grew at 6% this year and reached 772m by the end of 2017.

*Big opportunities characterise the internet markets we focus on. It is a high-growth game and we are a meaningful global player.*

## Our businesses

### Classifieds

### Payments

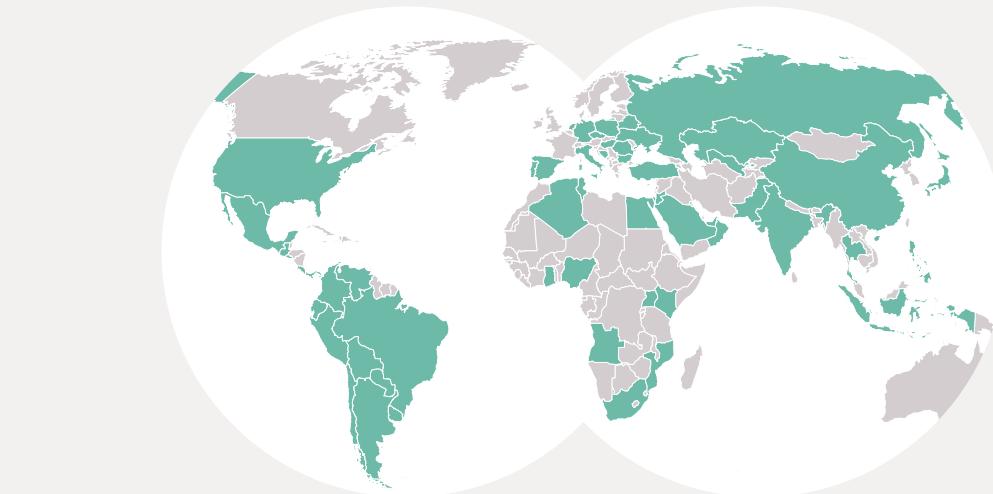
### Online food delivery

### Etail

### Travel

### Ventures

### Social and internet platforms



# Performance

## Classifieds

### REVENUE<sup>(i)</sup> (US\$m)

2018	628
2017	426

IFRS: ↑47% LC: ↑35%

### TRADING LOSS<sup>(i)</sup> (US\$m)

2018	(114)
2017	(328)

IFRS: ↑65% LC: 59%

#### Notes

<sup>(i)</sup> Presented on an economic-interest basis.  
LC = local currency.

## Building trust across our marketplaces

We are committed to building trustworthy online marketplaces. Trustworthiness is key to the long-term success of these marketplaces and of great value to customers and merchants alike.

OLX has established a global trust and safety programme (under the auspices of the general counsel) to act as the glue for all trust and safety initiatives around the globe and

ensure consistent and effective combating of fraud.

The group invests heavily in advanced technology to monitor platforms, as well as in teams around the world to prevent inappropriate listings. For example, it has built an automated moderation tool, Hermes, which has increased the successful automatic moderation of illegal or bad content by up to 80% in some countries.

We're investing in online trust and safety for customers around the globe.



## SPOTLIGHT ON OLX

#1 shopping/lifestyle apps in more than 22 countries

80% of person-to-person online trade in India is done through OLX

25% of the Russian population uses Avito every month

75m downloads and hundreds of millions of listings added by users

## Classifieds continued

### **OLX (excluding letgo) continued to grow around the world and this year returned a profit to Naspers**

With more than 330m monthly users worldwide, OLX group's mission is to make it as easy as possible for people to buy and sell almost anything. This fuels local economies. Through consumer brands, including Avito, Dubizzle, letgo, OLX and a dozen others, more than 15m items are exchanged on OLX's platforms every month.

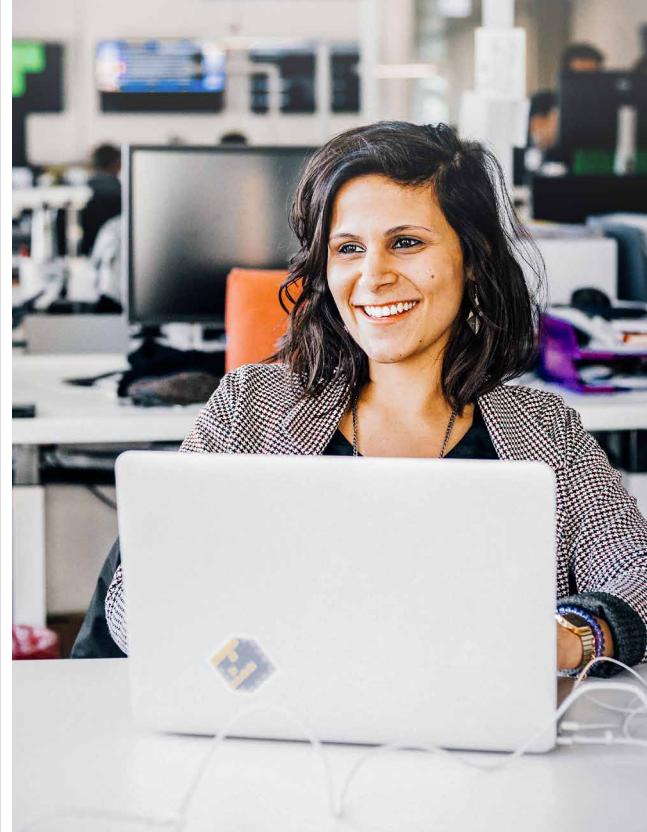
OLX is building an enduring business by striving to offer buyers and sellers flawless user experiences, through intelligent technology and convenient services.

The group is expanding monetisation in Russia, the UAE, Poland, Portugal, Romania and the Ukraine, deepening relationships with professional sellers through local commercial operations. OLX revenues have shown solid growth in the past years and this year the group returned a profit to Naspers, excluding investments in letgo.

OLX is enhancing product centricity. The group is applying machine learning and artificial intelligence to enhance the user experience, including features like image recognition and multi-language smart chat.

Three important acquisitions were made in the year: AutoTrader, the leading car vertical platform in South Africa, and Expat Wheels and WeCashanyCar in the UAE. The latter two complement the group's local Dubizzle platform in offering a total of three car selling options designed to bring more convenience to buyers and increase revenue for sellers.

**One of the key distinctive strengths of OLX is that it is a global business that is extremely localised in each of its 41 markets.**



### **Protecting intellectual property**

OLX rigorously protects its intellectual property, notably the source code and domains that are at the heart of its global brand. This involves defending the assets across more than 40 countries.

We have a very active and successful team of IP experts (Naspers IP team and the domain office in Naspers) to monitor and act against any IP infringements.

For sharing of open source code, our developers are being trained by our Naspers head of IP and OLX general counsel to ensure that minimum standards are followed for sharing open source code and to ensure that we do not provide our proprietary code to the open source community. We encourage responsible open source code sharing, under licence, to ensure that our developers are engaged with the outside developer world. This increases our profile as a group among tech talent as an attractive place to work.

Across the group we protect our brand, domains and trademarks aggressively and we have seen great success in our efforts to reduce infringement.

We're defending intellectual property across more than 40 countries.



The group continues to invest in mobile apps for trading consumer goods, such as OLX and letgo, and adjacent cars and real estate vertical platforms to serve markets where there is a high level of maturity. By consolidating expertise into regional hubs, OLX increased efficiency and scalability while realigning investment levels to match opportunities in some local markets.

Across its markets, OLX is investing in and experimenting with innovative trading formats to use local market knowledge and solve customer problems. The group has started to operate a very popular payment and delivery service in the Ukraine, and continues to explore new verticals including Shedd for fast fashion and Tradus for heavy machinery.

## **Payments**

### **REVENUE<sup>(i)</sup> (US\$m)**

2018	294
2017	186

IFRS: ↑58% LC: ↑37%

### **TRADING LOSS<sup>(i)</sup> (US\$m)**

2018	(64)
2017	(69)

IFRS: ↑7% LC: ↑42%

#### **Notes**

<sup>(i)</sup> Presented on an economic-interest basis.  
LC = local currency.

### **PayU enjoyed healthy growth and is expanding its fintech offer**

With operations in 17 high-growth markets, five of which are among the top 10 fastest-growing payments markets globally, PayU is ideally positioned to benefit from the strong market opportunities.

In the year, PayU recorded healthy revenue growth shown above, driven by a 48% increase in transactions processed to over 650m. TPV exceeded US\$25bn, more than doubling in the last two years.

## Payments continued

PayU grew while containing costs in the core business, principally by achieving scale efficiencies. Consequently the trading loss as a percentage of revenue improved significantly – reducing to 22% from 37% last year.

It was also a critical year to transform PayU from a payments business into a broader fintech financial services business. PayU launched credit products in India and Latin America, invested US\$99m (and €20m in convertible loan funding) in Kreditech, a credit-scoring business, and US\$100m in Remitly, a technology-driven remittance business. PayU is partnering with both companies to deliver credit and remittance solutions in its key markets.

### Growing across fintech

It is an exciting time for PayU. Looking ahead, as well as continuing to grow the size and value of the payments business, PayU will also increasingly focus on other key fintech areas, notably credit, for example by offering quick and easy technology-based sources of funding to underbanked people.

### Enabling a borderless financial world

PayU's aim is to enable a borderless financial world in which everyone can prosper. To this end the company focuses on making sure payment transactions are frictionless across mobile and other platforms. This benefits both consumers and merchants.

Innovative technology, developed inhouse as well as through investments and strategic partnerships, empowers many people and merchants to buy and sell online, extending the reach of financial services.

The company is also working on increasing digital inclusion in other ways, for example access to alternative sources of credit. Technology can do a great deal to free up and improve the speed and convenience of lending to underbanked people who would make good use of funds if these were readily available.

PayU wants everyone to be able to prosper in a borderless financial world.



### SPOTLIGHT

**58%<sup>(1)</sup>**

PayU revenue growth in 2018

**US\$**

**>25bn**

PayU total payment volume in 2018

**Note**

<sup>(1)</sup> On an economic interest basis.



### Protecting valuable assets

PayU focuses on protecting its valuable assets, notably its local payment platforms and data. The platforms are largely developed inhouse and are crucial to the company's performance and potential.

To protect assets, PayU has comprehensive risk management and internal controls in place ranging from increasingly harmonised platform development processes and governance to ethical hacking exercises and a continued focus on automation to facilitate standardisation.

PayU has comprehensive protection for its payment platforms and data.



## Online food delivery

### REVENUE<sup>(1)</sup> (US\$m)

2018 166

2017 53

IFRS: ↑>100% LC: ↑>100%

### TRADING (LOSS)/PROFIT<sup>(1)</sup> (US\$m)

2018 (30)

2017 5

IFRS: ↓>100% LC: ↓>100%

#### Notes

<sup>(1)</sup> Presented on an economic-interest basis.

LC = local currency.

We are continuing to build on our strong presence in online food delivery.

#### Delivery Hero

Delivery Hero is a leading online food-delivery company globally, operating in more than 42 countries and leading in 36. Delivery Hero is predominantly a third-party (3P) marketplace model, where its platforms arrange for restaurants to deliver food to users. But it also has a first-party (IP) marketplace model, where it provides the delivery services as well. Delivery Hero achieved 292m orders in the 2018 financial year.

#### Swiggy

Swiggy is a leading online food-ordering and delivery company in India, an underpenetrated but high-potential market. Swiggy has attracted over 18 000 restaurants to its platform and has earned strong consumer trust by delivering meals in an industry-best average of 35 minutes per order. It is India's fastest-growing food platform.

#### iFood

iFood, a subsidiary of Movile, is a leading online food-delivery platform in Latin America. In Brazil, iFood is the preferred destination for food delivery.

### SPOTLIGHT

**292m**

Delivery Hero  
orders in 2018

**18 000**

restaurants on  
Swiggy's platform



### Using cutting-edge technology to cut food-delivery times

iFood is using artificial intelligence and machine learning to reduce delivery times. Guided by the technology, bikes with margherita pizzas can be dispatched to neighbourhoods with high demand so they are closer to customers before the customers have actually ordered. As a result, they can deliver the pizzas far quicker – in 10 minutes, rather than 40.

*This is an extensive market filled with opportunities and we are still early in the cycle of bringing technology to an important part of people's lives – eating at home and at work.*

Quicker delivery times mean happier customers; technology's the key.



## Etail

### REVENUE<sup>(1)</sup> (US\$m)

2018 2 060

2017 1 659

IFRS: ↑24% LC: ↑36%

### TRADING LOSS<sup>(1)</sup> (US'\$m)

2018 (270)

2017 (281)

IFRS: ↑4% LC: ↓10%

#### Notes

<sup>(1)</sup> Presented on an economic-interest basis.

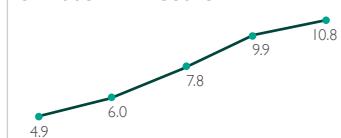
LC = local currency.

### Focus on electronic retail eMAG grew strongly across its markets

eMAG delivered another year of strong growth rates and high market shares in its key markets.

eMAG also performed well on strategic KPIs such as 3P marketplace share of GMV and units sold per active customer:

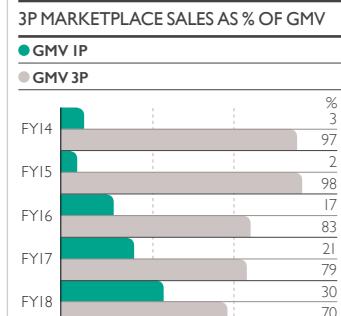
### UNITS SOLD PER CUSTOMER PER YEAR



### 3P MARKETPLACE SALES AS % OF GMV

● GMV IP

● GMV 3P



## Etail continued

### Attracting and retaining top talent

Across the group we focus on attracting and retaining exceptional talent. At eMAG, for example, attraction strategies include rewards, ensuring market-competitive compensation, and specific talent-sourcing strategies such as hackathon events, university relations and graduate recruitment, internship programmes and employee referral programmes. Retention strategies include ensuring there are plenty of on-the-job development opportunities as well as specific high-potential talent-development initiatives.

The initiatives are proving successful, with eMAG being named the number one IT employer of choice in Romania in 2017.

In Romania eMAG is the number one IT employer of choice.



In addition, the Romanian business reached profitability, a milestone for eMAG. This was achieved by scale, enabling eMAG to increase margins, grow purchasing frequency and optimise operational efficiency.

eMAG continues to focus on increasing quality of service and delivery for customers and on controlling costs. eMAG bought its own courier company during the year and has started construction on building a 120 000m<sup>2</sup> warehouse.

#### *Flipkart*

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

***Myntra also performed well, improving topline growth and EBITDA. Myntra's strong results reflect its higher private-label sales, greater buying power from increased scale, and cost savings from Myntra and Jabong's integration.***

### eMAG's fourth hackathon

Each year eMAG holds a hackathon – 24 hours when coders unite to code something amazing, impress the judges and win great prizes. It's an excellent way to attract the best tech talent to a business with a strong focus on IP that likes to develop its own software.

This year each team had to build a project using artificial intelligence, virtual reality, augmented reality and internet-of-things technologies to address themes including:

- improving customer experience in eMAG showrooms or at home
- improving the payment method for the showrooms, web or mobile
- improving the buying experience on mobile, app or web, and
- improving delivery and warehouse logistics efficiency.

Sixteen teams competed and 24 hours later; winners were announced in the following categories:

- best hack
- most innovative project
- customer and user experience
- project with the best code, and
- most popular project.

To attract the best tech talent eMAG holds an annual hackathon.



## Etail continued

**Takealot continues to grow its business in a sustainable way. It is all about executing a well-made plan, focusing on growing the business and increasing margins and on becoming more efficient throughout its distribution and supply chain.**

### Takealot continued to grow as the leader in South African etail

As the market leader in South African etail, Takealot is well positioned to continue growing its business.

During the year we increased our effective stake in Takealot from 47% to 96% through two investments. In August 2017 we injected US\$74m into the business to fund ongoing operations. In December 2017 we bought out other shareholders at a cost of US\$128m.

### Optimising our etail portfolio

As part of our ongoing portfolio optimisation, we exited non-strategic etail assets Souq and Konga. In May 2017, Souq was sold to Amazon. In February 2018, Konga was sold to Zinox Technologies, a local Nigerian retail business.

#### SPOTLIGHT

**US\$  
2.2bn<sup>(1)</sup>**  
proceeds from sale  
of Flipkart

#### No 1

Takealot is the leading etailer in South Africa

#### Note

<sup>(1)</sup> Disposal is subject to regulatory approval.



### Recycling packaging? 100%!

One of the things that goes hand in hand with etail is packaging. It is an inevitable requirement for the protection of the products that customers buy and look forward to receiving. Takealot has taken on the challenge to make 100% of their delivery packaging recyclable. Not only the boxes they use, but also the padding material that safeguards customers' products. With this initiative Takealot aims to balance the needs of both customers and the environment.

All of Takealot's delivery packaging is now recyclable.



## Travel

#### REVENUE<sup>(1)</sup> (US\$m)

2018	276
2017	123

IFRS: ↑>100% LC: ↑21%

#### TRADING LOSS<sup>(1)</sup> (US\$m)

2018	(61)
2017	(88)

IFRS: ↑31% LC: ↑21%

#### Notes

<sup>(1)</sup> Presented on an economic-interest basis.  
LC = local currency.

### MakeMyTrip strengthened its leadership in India

Following its merger with goibibo the previous year, MakeMyTrip (MMYT) strengthened its leadership in the large, fast-growing Indian online travel agency (OTA) market.

MMYT continues to focus investment on the high-growth hotels segment. It plans to expand this market by bringing more customers online and increasing the transaction frequency of existing customers.

In May 2017 we contributed US\$132m of a MMYT US\$330m fundraising round, which also included Ctrip and other shareholders. This additional capital gives MMYT the resources to continue growing the online-travel market in India.

We invested an additional US\$23m during the year to maintain our relative shareholding.

## Ventures

#### REVENUE<sup>(1)</sup> (US'\$m)

2018	223
2017	155

IFRS: ↑44% LC: ↑37%

#### TRADING LOSS<sup>(1)</sup> (US'\$m)

2018	(134)
2017	(107)

IFRS: ↓25% LC: ↓17%

#### Notes

<sup>(1)</sup> Presented on an economic-interest basis.  
LC = local currency.

#### SPOTLIGHT

**No 1**  
MakeMyTrip is the leading Indian online travel agency

**US\$  
155m**  
Our 2018 additional investment in MakeMyTrip

## Ventures continued

Through Naspers Ventures we partner with local entrepreneurs to build leading technology companies in high-growth markets. We identify companies and founders with high potential and the ambition to scale globally. Our goal is to identify the next phase of growth for Naspers – identifying trends, technologies, segments and geographies that will experience significant growth in the coming decades and investing in the best opportunities we see there.

We evaluate consumer trends to understand engagement at a deep level and use this information to identify investment opportunities. We are currently focusing on a number of specific segments including edtech, healthtech and agtech. Within these segments, we have made investments in innovative companies with high-potential platforms, and we continue to look for more great opportunities.

We are targeting businesses that are addressing big societal needs, such as online food, education and health, where the right combination of technology and entrepreneurialism can disrupt for the better – driving down costs and driving up quality for consumers.

**Providing ongoing global support**  
We provide ongoing global support to all our Naspers Ventures companies. The support ranges from human resources, product and growth strategy, finance and M&A expertise, research, general counsel, to IP and communications. In addition, Ventures companies have the ability to tap into the resources of our global network of entrepreneurs and businesses across the group in 120 countries and markets. It's part of our long-term approach to increasing value in the businesses we back, on the way to building leading technology companies.

**Investing in edtech**  
We are backing a number of ventures to transform the way people learn around the world.

### In Poland 85% of all school kids access Brainly at least once a month.

#### Brainly

Brainly is a social learning platform serving more than 110m students in more than 35 countries. Brainly assists students with an infinite number of school subjects, including maths, history, literature, coding and science.

#### Codecademy

Codecademy is a vocational learning platform, with 45m people having taken courses to learn how to code. With more than 56% of registered users learning code to find a new job, Codecademy is helping people in every country around the globe to upskill and find better career opportunities.

#### Udemy

Udemy is a global education marketplace for lifelong learners serving more than 20m students in 190 countries around the world. It combines a business model we know well, two-sided marketplaces, with a sector we are excited about. With 20 000 instructors teaching more than 65 000 courses, you can literally learn anything on Udemy.

#### Movile

Movile is the top mobile commerce platform in Latin America, with over 100m users per month. Movile develops world-class mobile marketplaces and is a leader in B2C mobile app-based services in Latin America, including iFood and Sympla. A leading self-service ticketing platform in Brazil, Sympla is a one-stop shop for entertainment and events in Latin America. Movile is also ramping up its content distribution. It is one of the largest distributors of digital kids' content in the world.

#### SimilarWeb

SimilarWeb provides digital market intelligence for online businesses. It measures and analyses millions of mobile apps and billions of webpages, providing insight into traffic flows and consumer behaviour to help companies make more informed management decisions.

#### SPOTLIGHT

>110m  
Brainly students

45m  
people have taken  
Codecademy  
courses

>20m  
Udemy students

>100m  
monthly Movile  
users

### Increasing awareness and respect

Movile runs a diversity awareness programme called Respect, which plays an active part in the company culture. The programme changes the way commemorative dates are celebrated and encourages discussions on gender equality, racism and religious tolerance across the company. In addition, Respect participants play a very important social role within the company, becoming a focal point for Movilians to seek support, share stories and address diversity subjects.

Movile is increasing diversity awareness through its companywide Respect programme.



## Social and internet platforms

#### REVENUE<sup>(1)</sup> (US\$'m)

2018	12 281
2017	7 692

IFRS: ↑60% LC: ↑56%

#### TRADING PROFIT<sup>(1)</sup> (US\$'m)

2018	3 726
2017	2 761

IFRS: ↑35% LC: ↑33% \*Restated

Notes

<sup>(1)</sup> Presented on an economic-interest basis.

LC = local currency.

#### Tencent continued to excel in China

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

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

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

Tencent's Weixin platform strengthened its 'super-app' status, with monthly active users exceeding the 1bn mark in February 2018. The group maintained its leading position in the Chinese online games market and continued to grow its global presence.

Tencent's strong presence in social media and utility products drove healthy growth in advertising revenues from its various platforms. The group extended its leadership in mobile payments in terms of active user accounts and further expanded its presence in commercial transactions, with offline transaction volume more than doubling year on year.

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

Tencent is listed on the Hong Kong Stock Exchange and extensive further information is available on its website [www.tencent.com](http://www.tencent.com).

#### Mail.ru strengthened its position as Russia's number one internet group

Mail.ru remains the largest internet group in Russia by users, with 19m mobile daily active users (DAUs) across its platforms. Its leading platforms cover gaming, social networking, email, portal, search, instant messaging, ecommerce, business services, and maps. It is the top mobile app publisher in Russia in terms of both number of downloads and consumer spending.

Mail.ru's revenue for the year to December 2017 was up 34% to RUB57bn. Key revenue drivers were online games and advertising. Mail.ru's two largest games, Warface and War Robots, continued to perform well. The online games business continued its expansion internationally and across new platforms. International revenue accounted for over half of Mail.ru's online games revenues. Mail.ru continued to see good growth in advertising revenue, especially on mobile, benefiting from shifts in advertising budgets towards online and increased advertiser spending towards social networks.

Vkontakte, the most popular mobile messaging and social networking app in Russia, continued to perform well. Over the year, the number of newsfeed views increased 30%, and every day more than 9bn post views are generated.

Mail.ru continued to invest in new strategic areas such as esports and online food delivery in Russia. In January 2018, Mail.ru announced the acquisition of 100% of Eforce Holding, one of the largest esports companies globally.

Mail.ru's depository receipts are listed on the London Stock Exchange. Further information is available on its website [corp.mail.ru](http://corp.mail.ru).

#### SPOTLIGHT

56%  
year-on-year  
increase in Tencent's revenues

19m  
mobile daily active  
Mail.ru users

# Video Entertainment

We are building Africa's leading video-entertainment business. The key to our growth and success is to offer our customers great entertainment anywhere, anytime across platforms including digital terrestrial television, direct-to-home and subscription video-on-demand services.

## Highlights of the year



Total subscribers increased by 1.5m to over 13m households.



We continued to implement our value strategy.



We invested heavily in local content.



We continued to drive costs down.



SUBSCRIBERS INCREASED BY  
**1.5m**  
year on year

TRADE PROFIT GREW  
**29%**

24%<sup>(1)</sup> to US\$369m

Note

<sup>(1)</sup> In local currency excluding M&A.

WE NOW HAVE OVER  
**13m**  
subscribers across Africa

Read more on page 42

Read more on pages 42 to 44

Read more on page 43

Read more on page 44

## Markets

We are facing increased competition from global and local players across our video-entertainment markets.

Competition is increasing with video consumption on online platforms growing, and global players like Netflix, Amazon, Facebook and iFlix continuing to offer alternatives to our service in our territories. In addition, local streaming players like Kwese, Cell C Black and Vodacom VideoPlay have also emerged.

Aspiring direct-to-home (DTH) and digital terrestrial television (DTT) players continue to invest across Africa, notably StarTimes, Zap, Azam and Kwese. Free-to-air channels and analogue switch-offs in many countries are also creating further competitive pressure on our products.

We performed well in the increasingly competitive world of video entertainment.

## Performance

### REVENUE<sup>(i)</sup> (US\$m)

2018	3 680
2017	3 401
IFRS: ↑8% LC: ↑7%	

### TRADING PROFIT<sup>(i)</sup> (US\$m)

2018	369
2017	287
IFRS: ↑29% LC: ↑24%	

#### Notes

<sup>(i)</sup> Presented on an economic-interest basis.  
LC = local currency.

#### A solid performance

Our video-entertainment segment once again produced a solid performance, with subscribers increasing by 1.5m and profitability growing 29% year on year. We now have over 13m subscribers across the continent. This reflects the success of the value strategy we have been implementing for the past two years where we have reorganised our channel bouquets to attract more subscribers as well as focusing on improving our systems and, in turn, our customer retention.

## Focus on South Africa

### Increasing subscribers

Despite a tough economic and uncertain political environment, we achieved subscriber growth of more than 500 000 and are now approaching 7m total subscribers.

### Increasing profitability

The trend of growth in the mass market continues, while our Premium tier is showing declining growth and the Compact tier is starting to stabilise. Due to this change in our customer mix, average revenue per user (ARPU) declined from R353 to R344 year on year.

### Enhancing products

We continue to enhance our product offering to deliver the best customer experience.

This year we repositioned the Extra Bouquet as Compact Plus, to define more accurately the product proposition and align with the naming convention in the rest of Africa. We offered Showmax free to Premium subscribers and discounted Showmax to R49 for Compact subscribers, resulting in excellent uptake. The DSTV Now channel line-up was increased to match our satellite offering and high-definition SuperSport channels were also added.



## Launch of a dedicated satellite

Giving our customers uninterrupted viewing is not negotiable. MultiChoice's journey as a premier satellite broadcaster took a huge leap forward with Intelsat's launch of the IS36 satellite. The satellite launched from the European Space Agency's Guiana Space Centre in French Guiana on 24 August 2016. The satellite has an intended lifespan of 15 years, thereby providing adequately for MultiChoice's DSTV roadmap until at least 2031.

Our dedicated satellite in space helps ensure uninterrupted viewing back here on earth.



## Focus on South Africa continued

### Keeping data secure

Irdeto has developed several solutions around encryption and key management.

Encryption allows information and data to be hidden so that it cannot be read without special knowledge, or a 'key'. To read the encrypted information a specific (secret) key is needed to decrypt the information. There are already many ways and standards to encrypt content and data, so that is not the challenge. However, what is extremely difficult is dealing with the complexity of issuing keys during the manufacturing process of devices, to distribute keys, to encrypt keys (with using other keys) and then to manage and revoke and redistribute new keys, eg when there is a hack.

Irdeto takes care of that challenge by implementing and managing mostly two-way systems where both ends send and receive data.

Irdeto is an industry leader in developing security building blocks to create secure key-based business systems such as Key Generation Technology to embed the master key in devices and servers; key distribution systems to ensure keys are only provided to legitimate business users; software protection technology; hardware protection elements; secure telemetry to identify potential breaches and many more. At the same time Irdeto supplies end-to-end security systems like Cloaked CA, which is the world's leading software-based conditional access system; Control, which is the most universal and powerful DRM licence system as well as KeyStone, which is an innovative connected vehicle access and usage management system.

Irdeto is an industry leader in keeping information and data secure.

Our online properties are gaining traction. To increase access to DSTv Now, we have opened it to all bouquet tiers. Explora penetration, BoxOffice rentals and connected Explora connections also recorded good growth during the year.

We have also created a connected video division by combining our Showmax Africa and digital media operations to ensure we give adequate focus to online products moving into the future. Showmax International continues to build and grow our business in Eastern Europe.

### Serving our customers with top-quality content

We successfully renewed key entertainment and sport rights, including the English Premier League (EPL), Premier Soccer League (PSL) in South Africa, UEFA Champions League (UCL), as well as the Discovery, Disney and Turner offerings. In addition, we secured key once-off properties such as the Conor McGregor vs Floyd Mayweather fight, which drew record viewership across platforms in the year. These successes allow us to continue to serve our customers with top-quality international content.

Our investment in local content is primarily through the Mzansi group of channels in South Africa and Africa Magic in the rest of Africa. Our efforts have been well received by subscribers, with our channels among the top performers in their peer group. We also launched a new channel, iMagic, to cater for the Premium local audience, anchored by a high-quality local telenovela – The River.

### We are investing heavily in local content – it is an important differentiator for us that our customers really appreciate.

This year we also increased our offering of themed pop-up channels, which proved very popular with viewers.

### Managing regulations and reputation

Our teams continue to engage and work with our regulators to shape our regulatory environment and limit adverse operating conditions. They also help to manage our reputational risk to protect our brand.

Concerns about MultiChoice South Africa's relationship with ANN7 and questions about how it lobbied government were raised in the media in November 2017. As a result, the MultiChoice audit and risk committees came together to assess: whether or not appropriate procedures were followed in relation to the ANN7 contract; the payments that were made by MultiChoice to ANN7; and whether or not there were irregularities in the submissions MultiChoice made to the Minister of Communications. After a thorough and comprehensive review the committees found no evidence of corruption or other illegal activity but did identify certain procedural shortcomings.

MultiChoice South Africa accepted the findings and confirmed that it will address the shortcomings that were identified. Accordingly, MultiChoice South Africa will ensure that robust due diligence processes will always be followed for startup channels and that management highlights issues of controversy and reputational risk at the quarterly audit and risk committee meetings. Key issues will be brought to the MultiChoice South Africa board for further consideration, including how to formalise MultiChoice South Africa's lobbying process. In the absence of national guidelines on lobbying and interaction with regulators and government, MultiChoice management will develop guidelines for approval by the board. MultiChoice South Africa confirmed that it would not renew ANN7's current contract when it ends in August 2018. It confirmed there will be an open bid for a replacement local news channel.

### SPOTLIGHT

**c7m**  
the number of video-entertainment subscribers in South Africa

**R344**  
average revenue per user

### Wide-ranging corporate social investment

#### Social and relationship capital

Across our video-entertainment segment we continue to contribute towards various corporate social responsibility (CSR) programmes – from the Magic in Motion Academy to SuperSport's Let's Play initiative. It's all part of our commitment to enriching lives across the continent.

Total corporate social investment spend totalled R60m in 2018.

#### Project Thorn

This programme helps stop crime, specifically human trafficking, with the use of Irdeto technology.

#### MultiChoice Diski Challenge

Amounting to R45m per annum, including rights, this multifaceted programme is aimed at developing football and broadcasting.

#### Let's Play

SuperSport's flagship social investment initiative, the programme is an implementation partner of school sport for the Department of Basic Education and is now active in thousands of schools nationwide, reaching over a million children annually.

#### The Let's Play Schools Physical Education Challenge

In partnership with the Department of Basic Education, Sport and Recreation South Africa, the Physical Education Institute of South Africa and Unicef SA, SuperSport launched the biggest school sport initiative of

its kind – the Let's Play Schools Physical Education Challenge – to celebrate reaching its 10-year milestone in 2016. The primary objective of this challenge is to reinforce the instruction of curriculum-oriented physical activity in all schools. Let's Play assists the Department of Basic Education with its school infrastructure project, together with partners Hitachi Construction Machinery and Builders. Eight multi-purpose artificial fields have been built at selected primary schools to date with another three to be built at beneficiary schools in 2018.

#### M-Net Magic in Motion (MiM) Film and TV Academy and Career Expo

Through MiM, CSI projects include an extensive internship programme, where young producers work with industry experts for hands-on experience. The MiM Career Expo was launched in August 2014. M-Net partnered with tertiary and financial institutions, as well as production companies, to give learners a complete view of the industry. Attendees were also made aware of the variety of jobs available in the industry, such as presenting, acting, camerawork and directing, giving them valuable insights from industry experts and practical exposure to several disciplines.

In 2018 our video-entertainment segment invested R60m across various CSR initiatives.



# Focus on the rest of Africa

Across the rest of Africa we continued our value strategy – focusing on accelerated subscriber growth across all bouquets while controlling costs.

## Improving products

We further improved our product offering with the successful launch of Compact Plus in Namibia, Angola and Mozambique and the launch of GOtv Max, a new higher-tier bouquet on our DTT platform.

## Reducing costs

We removed substantial costs from the business by renegotiating international content agreements or dropping non-performing content and reducing local football rights. We made further investments in new content formats and local productions. We have also focused on reducing overhead costs, despite inflationary pressures.

## Improving our customer journey

We continued to improve on key capabilities such as sales and distribution, retention and customer care, which are all geared towards improving our customer journey. We also continued to strengthen and build teams in growth areas of the business.

## Irdeto

Irdeto had another strong year with positive growth in revenues and profitability. To reinforce its product portfolio, Irdeto completed the acquisition of Denuvo, the number one supplier of anti-tamper and anti-cheat solutions to the video-gaming industry.

### SPOTLIGHT

**>13m**

the number of  
video-entertainment  
subscribers across  
Africa

## Creating an outstanding green building for MultiChoice

MultiChoice City, based in South Africa and home to our video-entertainment segment, is 5-star Green Star-rated, a rating received from the Green Building Council of South Africa. The building offers a grey water reticulation system and heating and cooling systems and processes to trap and disperse natural light.

This 5-star rating was achieved by following the Green Building Council's matrix, with key points scored for:

- Management – building tuning, environmental management and waste management.
- Indoor environment quality – ventilation rates, air-change effectiveness and volatile organic compounds.
- Energy – greenhouse gas emissions, energy sub-metering, lighting power density, lighting zoning and peak energy-demand reduction.
- Water – occupant amenity water, water meters, landscape irrigation and heat-rejection water.
- Materials – use of environmentally friendly material.

Points were also scored for transport, land use and ecology, emissions and innovations.

MultiChoice's head office has a 5-star Green Star rating.



## Developing leadership and gender diversity

Across the video-entertainment segment, we have a number of established programmes to develop leadership abilities and competencies at all levels of seniority.

### Empowering women

We implemented a Leading Women programme with the Gordon Institute of Business to develop women at a middle to senior management level.

Other initiatives include internal leadership development programmes, Women in Management, Business and Public Service (Wimbiz) and a women empowerment programme with the Lagos Business School.

We have submitted a five-year employment equity plan to the Department of Labour as part of our compliance to the Employment Equity Act.

This includes ensuring that all of our human resources policies, processes and practices support diversity and inclusion.

### Managing talent

Our talent management framework helps in the implementation of succession planning and the employment of women in senior roles.

We also have affiliations with LGB Tech and Women in Tech as part of our commitment to promoting recruitment diversity.

Our video-entertainment segment has a number of leadership and gender diversity programmes.



# Media

In our media segment, Media24 is building communities through content, technology and commerce. We are focusing on building a more diversified media player with market-leading mobile content and a portfolio of ecommerce solutions, including efashion, efulfilment and online job classifieds. This will enable Media24 to capitalise fully on rising mobile internet connectivity across the continent as well as on South Africa's growing online retail sector.

## Highlights of the year



Media24 (excluding Novus) revenue was flat at US\$374m.

MEDIA<sup>24</sup>



Online fashion store Spree achieved topline growth of 49%.

spree



24.com achieved double-digit year-on-year revenue growth.

news<sup>24</sup>  
Breaking News. First.  
careers<sup>24</sup>  
Get a career you can be proud of.



The larger portion of Media24's investment in Novus was unbundled.

novus holdings

MEDIA24 (EXCLUDING NOVUS)  
REVENUE WAS FLAT YEAR ON  
YEAR AT

US\$  
**374m**

Read more on page 46

Read more on page 46

Read more on page 46

Read more on page 48

# Markets

## We are navigating a competitive and fast-changing market

Media markets remain highly competitive and fast changing. Revenues in traditional media streams are under pressure whereas digital and technology changes create great opportunities for players with the resources and drive to adapt.

# Performance

## REVENUE<sup>(1)</sup> (US\$m)

2018	507
2017	588

IFRS: ↓14% LC: ↑1%

## TRADING PROFIT<sup>(1)</sup> (US\$m)

2018	3
2017	19

IFRS: ↓84% LC: ↓>100%

## Notes

<sup>(1)</sup> Presented on an economic-interest basis.

LC = local currency.

As the competition and speed of change in media markets continue to rise, we are adapting our businesses for success.

## Media24

### Growing ecommerce and news

Online fashion store Spree outperformed revenue expectations with topline growth of 49%. Nearly 50% of sales came from mobile devices.

Spree also launched visual search functionality and won the African customer experience award for innovation.

24.com achieved double-digit year-on-year revenue growth and increased daily average unique browsers by 6% year on year and pageviews by 9% during the period.

The News24 app's engagement reached all-time highs in the financial year.



## Investing in social and relationship capital

Media24 aligns its strategic corporate social investment (CSI) with core business interests to enhance stakeholder relations and build its profile as a good corporate citizen.

### Training tomorrow's journalists

Through its flagship CSI programme, WeCan24, Media24 equips young people with digital journalism skills. Young people learn how to use digital technologies to research and produce news and information. During the year, nearly 2 000 young people were trained at 350 schools and more than 2 000 articles were published on the WeCan24 platform. Going forward, the WeCan24 platform and programme will have a stronger digital focus. Face-to-face training is being converted into a Massive Open Online Course (MOOC) that will enable young people everywhere to access the material at any time. They will be able to learn writing and research skills via an accredited digital journalism course. The plan is for the programme to be self-sustaining by becoming a training conduit for partners who pay to use the platform.

### Working with governments

Media24 is working on two strategic agreements with governments. A partnership with the Gauteng provincial government will provide training opportunities in digital, communication and entrepreneurship to unemployed youth via the Tshepo One Million programme. A partnership with the Western Cape government's Premier's Advancement of Youth (PAY) programme has enabled Media24 to include internships for youth with its enterprise development partner, Mikateko Media.

Media24 is helping to train the next generation of digital journalists.



## Performance continued

### Netwerk24

6 months.  
32 engineers.  
30 stakeholders.  
113 standups.  
689 tasks logged.  
7 232 cups of coffee.

This is what it took to integrate Media24's digital lifestyle properties into Netwerk24, the subscriber-based home of Afrikaans content. Designing one home that would feel right for each of the brands, and which their audiences would want to pay for, was no mean feat. The small team ran six key projects in six months – app content integration, site designs and rebuilding, print content, paywall enhancement, emagazines, and rebranding. Through innovation, creativity and exceptional collaboration, the team achieved what had seemed like an impossible task. Subscriber numbers are up significantly and the team is applying the lessons they learnt along the way to their next project.

#### **On the Dot**

In South Africa we have a tradition of volunteering '67 minutes for Madiba' on Mandela Day, honouring the life and work of the late President Nelson Mandela. Rika Swart, general manager of On the Dot, Media24's distribution business, challenged her team to do 67 good deeds for Madiba by the end of July. Despite working to tight schedules and deadlines, with the constant pressure to do more with less, the team embraced the challenge bravely, pulling on their overalls to repaint schools, feed the hungry through soup kitchens, care for the elderly and many other initiatives. By the end of July, the team had volunteered for 72 separate initiatives. They made a difference, and inspired themselves and the rest of Media24. But the story doesn't end there. Their heart and courage carried the team through tough times a few months later: they went through a restructuring process that affected the whole middle management team. And yet, their engagement scores have never been higher.

Media24's distribution business On The Dot performed a variety of good deeds on Mandela Day – 72 in all.



### Preparing for a potential water crisis

South Africa has recently declared a national disaster due to severe drought conditions in several provinces. The Western Cape province is a particular concern as it is experiencing its worst drought on record. The City of Cape Town disaster management plan called for Day Zero to be implemented when dam levels reach 13.5%. On Day Zero the water reticulation system to most areas in the city will be turned off and residents will need to collect their quota of 25 litres per person per day at 200 distribution points across the city.

At Media24 and other Naspers businesses in Cape Town, we have been preparing for a potential water crisis identified by the government by implementing water-saving and resilience initiatives, running awareness campaigns, and developing plans to work differently in the event of Day Zero.

Our South African businesses are well prepared for a severe water crisis.



## Performance continued

### Data-driven engineering

At Media24 we employ only the best – and we seek out talent that will raise the bar and challenge us. Some of the new appointees to our 24.com engineering team include an actual rocket scientist, and a PhD biochemistry graduate – not traditional skills in the media business, but critical to our data-driven approach.

Media24 seeks best talent – raising the bar and challenging us.



The migration of our Afrikaans lifestyle titles to Netwerk24 on 1 November 2017 showed promising early results, with a solid increase in subscribers. Netwerk24 is the largest digital subscription news destination in South Africa.

#### *Posting positive results in print media*

Our print media, book publishing and distribution portfolio posted excellent results. Better than expected advertising revenue, the phenomenal success of *The President's Keepers* (Jacques Pauw's best-selling exposé on President Jacob Zuma, published by NB Publishers), good textbook orders and strict cost management all contributed.

#### *Playing our part in investigative journalism*

Investigative journalism in South Africa is flourishing, exemplified by the success of *The President's Keepers*. The #Guptaleaks team, included 24.com investigative journalists Pieter-Louis Myburgh and Angelique Serrao, won the Vodacom Journalist of the Year award for their series of revelations on state capture. At the Standard Bank Sikuvile awards, Suzanne Venter won the investigative journalism award and SA story of the year for her work on the Life Esidimeni story.

#### *We are immensely proud of our award-winning investigative journalists*

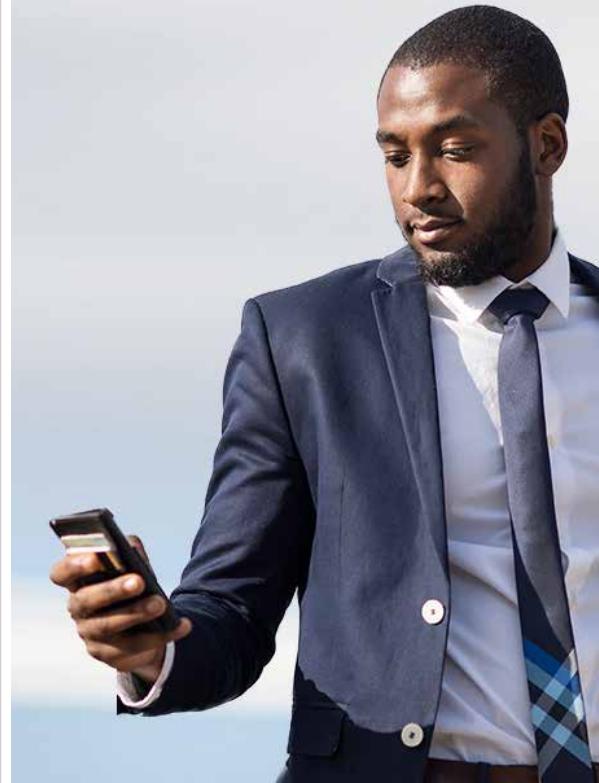
#### *Unbundling Novus Holdings*

Effective 26 September 2017, the majority of Media24's investment in Novus Holdings Limited was unbundled via Naspers, in accordance with the Competition Tribunal's merger approval condition. Post unbundling, Media24 retained a 19% investment in Novus (down from a pre-unbundling shareholding of 66.5%). Since 30 September 2017, the investment in Novus is carried as an available-for-sale investment and its results are no longer consolidated on a line-by-line basis.



### Optimising distribution across the business

Any media company knows machine learning (ML) and artificial intelligence (AI) are integral to its tech and product suite. Media24 embraced this by launching apps based on ML and AI in FY18. Our aggregator and personalised app suite now include News24 Edge, a personalised version of flagship online title News24, as well as soccer aggregator Daily Kick, general news aggregator Sliced and Nigerian news aggregator Bounce. Spree, our efashion business, also piloted an AI-powered visual image search functionality on its app whereby shoppers can upload pictures of clothing they like and then view similar items for sale on Spree. It was the first of its kind for efashion in Africa. News24 Edge was named the top mobile news service by the World Publishing Expo and the World Association of Newspapers and News Publishers, while Spree won the prestigious African Customer Experience Innovator Award for its image search functionality.



Media24 embraced ML and AI launching News24 Edge.



# 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.

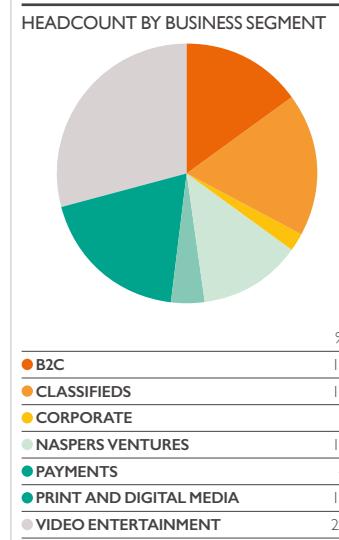
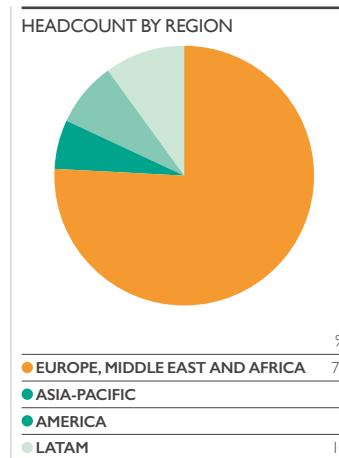
PERMANENT EMPLOYEES

**24 887**

During the year we brought fresh 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 24 887 (2017: 25 000) permanent employees in some 120 countries and markets.

## 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.

## We perform

We push for performance in everything we do, and we link achievements and rewards. 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/share appreciation rights to their employees under a number of long-term incentive 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 are available on [www.naspers.com](http://www.naspers.com).

Many of our companies invest in corporate social responsibility programmes and we encourage our people to support these by investing 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, heard and supported in their ambitions, is ultimately in their hands. Together we are all responsible for the positive impact we have on our stakeholders.



## MyAcademy

We launched our online and offline learning environment, MyAcademy, in September 2016 and this year more than 20 000 people accessed content on MyAcademy online. MyAcademy online offers the very best online learning content from global providers such as Udemy, Big Think, Harvard Business School, Codecademy, Ready, Vado, and Rosetta Stone. Our MyAcademy classroom-based programmes offer our people the opportunity to grow their leadership skills regardless of where they are in the world. We also focus on developing key functional skills in the areas of technology, sales and business development, finance, law and human resources. This year more than 1 500 people attended such programmes.

During the year ended March 2018 active learners from around the group had consumed more than **26 000** online lectures and engaged in more than **43 000** hours of training on this platform.



Through MyAcademy, our people can tap into online learning.



## Our people

continued

### 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 where 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.

We believe happy and engaged employees create fantastic customer experiences and in a competitive global talent market, it's important that we provide our people with a compelling place to work. We measure employee engagement across the group and we ask 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.

#### Quotes from employees using our learning platforms:

*"MyAcademy has been really very helpful for understanding marketing and writing skills in depth. The learning platform has a huge range of customised courses which intend to impart quality learning. Be it bargeing on traditional yet evergreen content practices or latest google analytics trends, MyAcademy has supported my industrial growth 15 times. The profound teaching of the instructors on the platform is very useful and easy to grasp everything. Glad to be a MyAcademy student!"*

**Kinjal Shah – content marketing – PayU India.**

*"MyAcademy has increased my appreciation of my work. I have a firm grip of areas like database, team building, leadership, customer service and finance. I now stay abreast of trends in my discipline. What's most exciting is that I can access any course with just one click without paying a dime. I now have confidence to face the future and I look forward to completing many more. I will forever remain indebted to MultiChoice."*

**Vincent Ekow Quansah, training administrator MultiChoice Ghana.**

*"Dear MyAcademy, Thanks for making me a part of this programme. This is definitely going to help me in achieving my career goals. I have already implemented some learnings, as mentioned below, in my day-to-day life and this is helping me handling the situations in a very effective way."*

**Hitesh Chawla, area sales manager, OLX India on leadership fundamentals programme.**

*"Our ever-changing environment requires everyone to be able to pick up new abilities effectively. Over the course of my time using MyAcademy, I've been able to take a look at resources that are needed for my day-to-day activities, ranging from software engineering to leadership and compliance. Every time I desire to learn something new using a structured approach, MyAcademy is the first place I look for information."*

**Santiago Vargas Baldrich, technical leader – machine learning, LatAm.**

#### Occupational health and safety

The health, safety and wellness of our people are critical, given that our growth depends on their skills. For Naspers, employee wellness is key to organisational sustainability. Accordingly, we care for our employees through multiple initiatives, understanding that a healthy and resilient workforce is essential to support the changes our business is navigating. Health and safety is one of the standard risks considered and assessed in our risk management framework. Businesses are required to report on any health and safety-related incidents. Any reported matter gets reviewed by the group's governance committee that meets quarterly. In 2018 no reports of serious injuries sustained by employees while on duty were reported.

#### 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.

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, with experienced recruiters in key regions and the ability to design competitive reward packages.
- Attracting and retaining the skills on which our sustainability depends. We pay for performance and to reward superior performance, most of our group companies offer performance-related incentives, including long-term incentives such as share options/share appreciation rights to their employees.
- Developing our talent. This 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\$17m.

Naspers respects the dignity and human rights of individuals and communities wherever it operates. We aim to make a positive and enduring contribution to the social and economic development of South Africa, and recognise the role we can play by leveraging our resources and the goodwill of our employees. Naspers has maintained a level 3 BBBEE status and remains committed to managing our transformation efforts in South Africa.

#### Employment equity

For a breakdown of the MultiChoice and Media24 groups' annual employment equity statistics, refer to the corporate website, [www.multichoice.co.za](http://www.multichoice.co.za) and [www.media24.com](http://www.media24.com), respectively.

#### Naspers Information and Communication Technology (ICT) Code scorecard

Element	Target score	Bonus points available	Bonus points achieved	Actual score achieved 2018
Equity ownership	25	0	0	19.85
Management control	13	0	0	6.98
Employment equity	10	0	0	4.83
Skills development	20	5	2.59	18.01
Preferential procurement	25	2	2	21.10
Enterprise and supplier development	25	3	3	28
Socio-economic development	12	0	0	12
Total score	130	10	7.67	110.73
Performance (%)				76.67%
BBBEE rating				Level 3
Priority elements achieved				Yes

Independent BBBEE verifications were performed for the above period.

For further details on MultiChoice's and Media24's BBBEE scorecards, refer to the corporate websites, [www.multichoice.co.za](http://www.multichoice.co.za) and [www.media24.com](http://www.media24.com), respectively.

# Financial review

## Financial summary

	2018 US\$m	2017 US\$m	2016 US\$m
Revenue <sup>(1)</sup>	20 097	14 562	12 224
Trading profit <sup>(1),(2)</sup>	3 403	2 322	2 150
Dividend per N ordinary share (SA cents) (2018 reflects dividend proposed)	650	580	520
Development spend <sup>(1)</sup>	956	1 084	961

### Notes

<sup>(1)</sup> Reported on an economic-interest basis.

<sup>(2)</sup> Prior periods restated for the group's change in calculation of core headline earnings and trading profit regarding Tencent's digital content amortisation.

Group revenue, measured on an economic-interest basis, was US\$20.1bn, up 38% on last year (or 39% in local currency and adjusted for acquisitions and disposals). Ecommerce and Tencent were key drivers of this growth. On the same basis, group trading profit rose 47% to US\$3.4bn (or 52% in local currency and adjusted for acquisitions and disposals) as ecommerce – particularly the classifieds, payments and travel businesses – improved profitability. Tencent's strong performance contributed to the trading profit acceleration.

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

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

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

US\$3.0bn to core headline earnings, an increase of 45%.

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

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

### CONSOLIDATED ECOMMERCE REVENUES GREW

**32%<sup>(1)</sup>**

### CONSOLIDATED DEVELOPMENT SPEND DOWN

**17%<sup>(1)</sup>**

#### Note

<sup>(1)</sup> In local currency excluding M&A.

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

We changed our accounting policy on put option liabilities during the year. An aggregate remeasurement loss of US\$252m was recognised in the income statement on these liabilities during the year and, at 31 March 2018, total put option liabilities were US\$2.4bn.

Consolidated free cash outflow was US\$242m with working capital movements, particularly the video-entertainment business's prepaid content rights renewals, having a significant impact. These effects were partly offset by dividend income of US\$247m from Tencent and improved profitability in the video-entertainment and ecommerce units.

### Dividend number 89 (all figures in South African cents)

The board recommends that the annual gross dividend be increased by 12% to 650 cents (previously 580 cents) per listed N ordinary share, and 130 cents (previously 116 cents) per unlisted A ordinary share. If confirmed by shareholders at the annual general meeting on Friday 24 August 2018, dividends will be payable to shareholders recorded in the books on Friday 14 September 2018 and paid on Monday 17 September 2018. The last date to trade cum dividend will be on Tuesday 11 September 2018 (shares trade ex dividend from Wednesday 12 September 2018). Share certificates may not be dematerialised or rematerialised between Wednesday 12 September 2018 and Friday 14 September 2018, both dates inclusive. The dividend will be declared from income reserves. It will be subject

to the dividend tax rate of 20%, yielding a net dividend of 520 cents per listed N ordinary share and 104 cents per unlisted A ordinary share to those shareholders not exempt from paying dividend tax. Dividend tax will be 130 cents per listed N ordinary share and 26 cents per unlisted A ordinary share. The issued ordinary share capital as at 22 June 2018 was 438 656 059 N ordinary shares and 907 128 A ordinary shares. The company's income tax reference number is 9550138714.

## OUR SHARE OF THE RESULTS OF EQUITY-ACCOUNTED INVESTMENTS (ASSOCIATES AND JOINT VENTURES) WAS

**US\$3.3bn**

## Summarised consolidated annual financial statements

The summarised consolidated annual financial statements appear on pages 92 to 109. The complete consolidated annual financial statements for the year ended 31 March 2018 are available on our website, [www.naspers.com](http://www.naspers.com).

# Managing risks and opportunities

**At heart, we are entrepreneurs. Within the parameters set by the board, we continuously pursue growth, and set ourselves ambitious goals that create sustainable value for our stakeholders. We actively seek opportunities to improve and strive to preserve the value created within our existing businesses.**

The world around us evolves at a whirlwind pace. We understand that our success depends on how well we navigate the uncertainties and risks we face and seize the opportunities we encounter.

While standards and frameworks are helpful, no risk management system or combined assurance model is able to give us absolute certainty that we fully understand – and will be effective in managing – all risks posed in meeting our objectives. We have experienced failures in the past and will likely do so in the future, given the residual risk we tolerate in pursuit of growth.

**How we manage and govern risk**  
We promote a culture in which robust risk and opportunity management processes are seen as a means to create competitive advantage. They are therefore integrated into our everyday decisionmaking and good governance practices.

**Responsibility**  
Management and the board are accountable for the choices and decisions we make, how we execute these and for delivering a commensurate reward – ie value in its broadest definition – within the parameters of the risk profile the board deems acceptable. 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.

Group internal audit and risk support assesses the effectiveness of the system of risk management and internal control and may provide assistance and guidance to the business.

## The board's role

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

The board is assisted by various committees who are tasked with oversight and decisionmaking for our group.

An internal governance committee assists the board committees and ensures complete and adequate reporting. We have several policies and charters governing the process and responsibilities.

## Analysing and responding to different risks

Our businesses are expected to apply a structured approach to identifying, assessing, analysing and responding to risk and opportunities within tolerance levels set by the board.

Our risk analysis focuses on the impact of risk on our objectives without losing sight of any opportunities that may arise. Consideration is given to our key risks in relation to their impact on effectively and efficiently transforming capitals (ie the six-capital transformation model) to ensure value for all stakeholders.

For risks we are not prepared to tolerate, we take action to reduce our vulnerability. Depending on the importance of the risk in relation to tolerance levels, active management of the risk takes various forms and varies in extent. We operate or implement enhanced control and monitoring measures that either prevent or detect the materialisation of a risk at the earliest stage. We take measures that mitigate any material consequences and on a portfolio basis, we spread uncorrelated risks.

Where we can, we explore ways to share or transfer risk. We run adequate insurance programmes to mitigate the risk of sudden losses caused by the materialisation of insurable risk. Wherever we find a risk outside acceptable levels, we consider ways to avoid the risk altogether; for example by entering into an exit strategy.

## Drawing on best practice

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

The Naspers board approves the risk committee charter, and risk management policy. For management at group and subsidiary level, our policies provide direction, scope and ambit to apply practices and principles to manage risk and opportunity, both operationally and strategically. The risk committee assists the board to ensure that risk is governed in a way that supports the group in setting and achieving its strategic objectives.

All our group policies aim to govern the elements of the six-capitals transformation model in a broad sense and we acknowledge that by nature we transform, impact or influence more than one capital and manage our risks accordingly. Our charters and policies

mitigate the inherent risks related to these spheres. All board committees assist the board in governing risks across the various capitals.

## Creating sustainable value

We consider the broad definition of value as financial, social and environmental sustainability – reflected in the six-capitals model. As we execute our strategies, we continuously transform these interdependent capitals, with the value we create (or destroy) being evident as a positive or negative impact across the capitals.

We believe value is determined by our potential to perform in future (our ability to have a net positive impact on our capitals) and by performance itself

(concrete net capital creation over time). We address both in developing our strategies. In building potential and delivering performance, we transform various capitals, and our strategic and operational decisions therefore aim to maximise production (our output per capital) while minimising our use of each capital (input) for optimal value creation.

Balancing our inputs and outputs results in the outcomes that are the essence of value creation and the foundation of our goal-driven, dynamic opportunity and risk framework.

## Governance

► [Read more on page 58](#)



## Committees

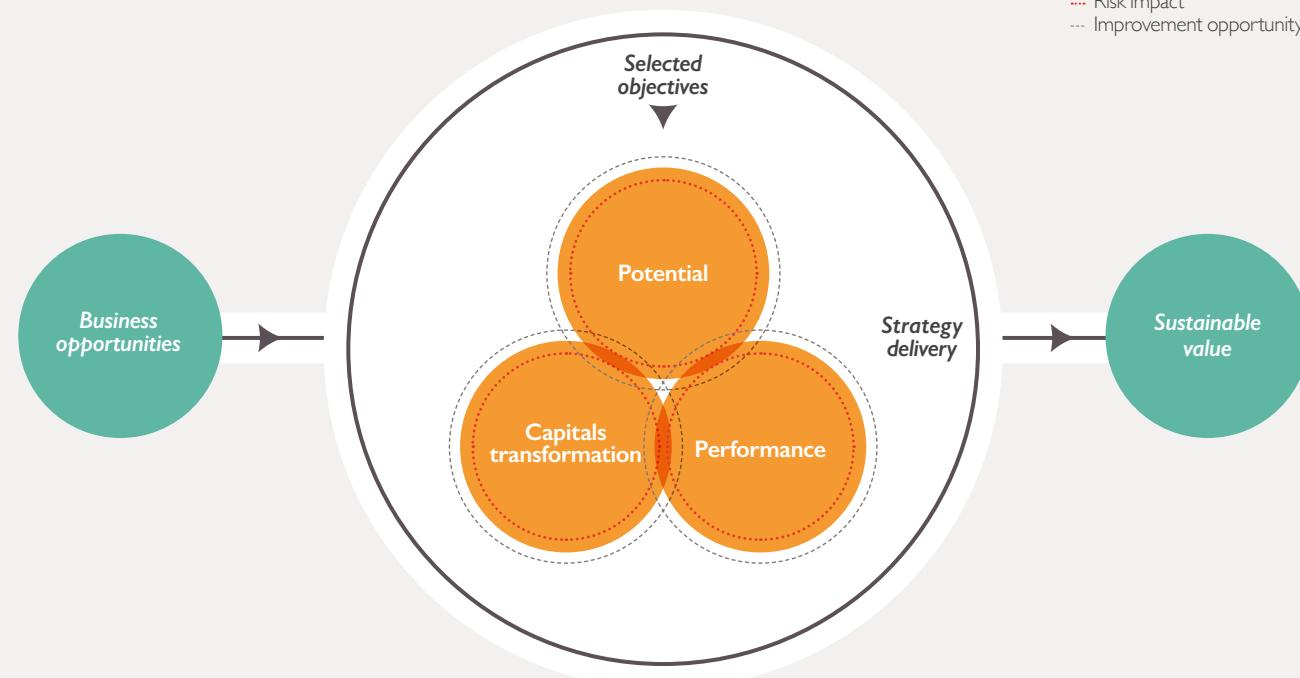
► [Read more in the full governance report](#)



## Managing risks and opportunities

continued

### Dynamic approach



### Our six capitals



Financial capital



Human capital



Manufactured capital



Intellectual capital



Social and relationship capital



Natural capital

### **Our objective-driven dynamic approach**

Our overarching aim is to transform our capitals for a net positive impact. This approach gives rise to various risks, specifically over-using any of the six capitals (higher input than intended) or under-producing (lower output than intended). We may also identify opportunities for greater efficiency (lower input than anticipated) or more effective production (higher output than anticipated) in any of the capitals and therefore exceed against our original objectives. This can translate into wasted resources.

Creating sustainable value is a continual process of balancing available resources for optimal benefit to our entire stakeholder base.

### **Our way of viewing risks and opportunities**

In the face of uncertainty, risks may impact on our goals and objectives in multiple ways but, equally, opportunities may arise, allowing us to do better than the targets we have set. These risks and opportunities can be considered as potential negative and positive deviations from our goals and objectives. In our view, we can create competitive advantage through the opportunities we identify and select to pursue, and through the way we assess, manage and accept risk. It is a strategic approach to risk and opportunity.

For our stakeholders, opportunities and risks matter most where they have the greatest impact on value in its broadest sense. Therefore, we select opportunities and assess, manage and accept risks primarily on the basis of their potential impact on determined value drivers.

Management and the board are accountable for choices and decisions, how we execute these and for delivering a commensurate reward – value in its broadest definition – within the parameters of the risk profile deemed acceptable by the board. Accepting risk is therefore at the heart of our decisionmaking processes. We set relevant tolerance levels for each significant risk individually and manage our business within these parameters. We understand that certain risks may have multiple consequences and that a certain consequence may materialise from different types of risk. The same applies to opportunities.

## Managing risks and opportunities

continued

### Key areas of focus in the year

Our key focus areas this year included:



#### Right-sizing the video-entertainment business

We have embarked on a programme to optimise the structure and operations of our video-entertainment businesses to ensure sustainability and readiness for further growth.

[Read more on page 42](#)



#### Responding to the Cape Town water crisis

We developed a focused response plan to ensure business continuity at our Media24 business regarding the water crisis in the drought-stricken Southern Cape region of South Africa, including ready-to-use planning for extreme severity.

[Read more on page 47](#)



#### Monitoring the effectiveness of risk and opportunity management

We undertake various actions to monitor the effectiveness of our risk and opportunity management system and processes, and address outcomes.

Our internal audit and risk support group function conducts a number of risk-based audits in line with an annual audit plan approved by the audit committee. Risks and internal control weaknesses or governance-related findings are discussed with senior management and the chief executive and CFO of our business. Risk information is also discussed with the risk committee at least twice annually when the committee meets. Action items are communicated to management for corrective responses or control redesign where applicable, and follow-up reviews are scheduled where required.

[Read more on pages 55 to 57](#)



#### Cybersecurity

Our (newly implemented) cybersecurity policy addresses security monitoring and response to cyber-incidents. Our larger businesses monitor their internal network using security operations centres. We have implemented a platform to share threat intelligence across the businesses. Many of our businesses have active responsible disclosure policies, which reward researchers that identify vulnerabilities on our platforms. We have set up an initiative to improve our response capabilities, through a cyber-incident response team. Some of our payments businesses are Payment Card Industry Data Security Standard (PCI-DSS) compliant. These standards include relevant requirements for confidentiality, integrity and availability of information.

Compliance with relevant information and technology laws forms part of the legal compliance programme.

Data privacy has been identified as a high-priority area and our privacy initiative is led by our group head of data privacy. Our cybersecurity policy also sets standards specifically for dealing with data privacy.

[Read more on page 66](#)

### Future focus areas

For the near future we do not foresee that the key focus areas will become less relevant. In addition to these, we expect that the following topics will demand growing attention:

#### Data-driven technologies

As our businesses place greater emphasis on opportunities to enhance our services and customer experience through the development and deployment of data-driven technologies (such as machine learning and artificial intelligence), we need to understand and effectively manage the emerging risks that present themselves as a result. Such risks may relate to privacy and compliance in connection with the use of (big) data, but also the control over and consequences of transferring decisionmaking to what sometimes popularly is referred to as 'the black box'.

#### Sustainability

Through our policies and governance structures we bring into practice our commitment to ethical and sustainable entrepreneurship, but also realise that the communities we serve and our various stakeholders take a growing interest in the sustainability of our operations and the impact of our corporate citizenship. We value our reputation and are fully aware of the importance of our 'social and relationship capital'.

We understand that reputational risks relating to our commitment predominantly come from misalignment of values or a deviation from desired business culture, which in a group as diverse and geographically spread as ours, naturally is a challenge to eliminate. Throughout our group we will continue to emphasise the importance of ethical and responsible behaviour and undertake various initiatives to ensure awareness of and adherence to our code of business ethics and conduct, while promoting a culture of integrated thinking in everything we do.

## Managing risks and opportunities

continued

### Managing risks and opportunities across the six capitals

We are committed to good corporate governance and to applying the principles of the King Code on Corporate Governance (King IV™).

These principles promote responsible corporate citizenship and sustainable development based on ethical leadership.

Both King IV™ and our sustainable development policy require businesses to adopt integrated thinking in setting strategy.

As part of the process of integrated thinking, responsible corporate citizenship and sustainable development, we require businesses to reflect on their business model in relation to the six capitals, as well as the risks and opportunities linked to the six capitals.

Type of capital	We aim to	Key risks to this capital	Measures to manage these key risks and maximise opportunities
 <b>Financial</b>	<p>We are a for-profit organisation that invests in developing businesses to provide useful products and services to customers and deliver a sustainable return to investors.</p> <ul style="list-style-type: none"> <li>Invest in countries where we operate by creating business for local suppliers, employing people and giving governments their dues via taxes and levies.</li> <li>Manage our assets and liabilities in a conservative manner with regard to the interests of our investors and other stakeholders and in accordance with board-approved risk appetite.</li> <li>Focus on investments in business models and technologies that hold promise for future growth and have potential to scale globally.</li> <li>Report accurately on our financial position and performance in accordance with applicable accounting standards.</li> <li>Comply with relevant company law and securities exchanges regulations.</li> </ul>	<ul style="list-style-type: none"> <li>Global and political market disruptions.</li> <li>Failing to compete effectively.</li> <li>Unexpected changes in the value of our assets.</li> <li>Insufficient funding to realise our ambitions.</li> <li>Currency exchange fluctuations, and navigating exchange control.</li> <li>Credit risk.</li> <li>Counterparty risk.</li> <li>Fraud-related crimes and theft.</li> <li>Financial misstatement and/or failure to accurately disclose in our public reports.</li> </ul>	<ul style="list-style-type: none"> <li>We monitor global and political developments and adjust quickly.</li> <li>We allocate significant resources to analysing market developments and invest in early-stage opportunities to stay ahead.</li> <li>We have a fully funded three-year plan with room for M&amp;A and manage the balance sheet conservatively.</li> <li>We take action early to ensure we have the funds and resources to realise our ambitions.</li> <li>We invest funds and manage our cash in accordance with our group treasury policy which, inter alia, sets minimum standards to mitigate risk of counterparty default.</li> <li>We take out forward exchange contracts for up to 24 months to lock in costs and invest in a wide range of markets and currencies to diversify risk.</li> <li>We operate an effective internal control environment and the audit committee oversees the effectiveness of combined assurance.</li> </ul>
 <b>Human</b>	<p>We acknowledge that our employees' competencies, capabilities and experience, as well their drive and engagement, is key to our success.</p> <ul style="list-style-type: none"> <li>Attract and retain high-calibre individuals to execute on strategy and build sustainable businesses.</li> <li>Back entrepreneurs and local teams by providing them with resources to accelerate growth.</li> <li>Provide our employees with focused career development and training.</li> <li>Foster a safe and healthy working environment where people feel cared for, heard and supported in their ambitions.</li> <li>Reinforce the leadership pipeline and accelerate the growth of top talent.</li> <li>Support the ongoing development and growth of our businesses and equip our people with new skills for tomorrow.</li> <li>Develop core business skills in ecommerce, video entertainment and media.</li> <li>Be fair and responsible in our remuneration practices and have a pay-for-performance remuneration strategy.</li> <li>Encourage diversity in our teams and thinking, and build inclusive workplaces. Our employment philosophy is founded on promoting equality and preventing unfair discrimination.</li> <li>Be compliant with relevant labour laws in the countries where we operate.</li> </ul>	<ul style="list-style-type: none"> <li>Failing to attract and retain talent to execute strategy.</li> <li>Non-compliance with applicable health and safety, and labour and economic empowerment laws.</li> <li>Inability of existing employees to adapt promptly to changes in market and innovation, and adapt business strategies accordingly.</li> <li>Unfair treatment and remuneration.</li> <li>Inadequate development of employees.</li> </ul>	<ul style="list-style-type: none"> <li>Strategies to develop employees and attract talent to meet the business's objectives, including learning and development initiatives (through MyAcademy that is online and classroom-based), training, and employee-wellness initiatives across the group.</li> <li>A global talent function that focuses on attracting, retaining, developing and engaging people with key skills and rewarding exceptional performance.</li> <li>Our legal compliance programme ensures compliance with applicable occupational health and safety, labour, economic empowerment, transformation and diversity laws.</li> <li>Human resource policies and procedures to address talent attraction, management and retention, development, succession planning, fair and responsible remuneration, working conditions, grievance procedures and diversity.</li> <li>Initiatives to enhance our human capital include diversity and inclusion, gender equality and leadership development.</li> </ul>

## Managing risks and opportunities

continued

Type of capital	We aim to	Key risks to this capital	Measures to manage these key risks and maximise opportunities
 <b>Manufactured</b> <p>Manufactured capital is key to our services and operations.</p> <p>Across the group, manufactured capital may include:</p> <ul style="list-style-type: none"> <li>• Office, service centre and warehouse buildings and equipment.</li> <li>• Information and technology infrastructure and equipment.</li> <li>• Distribution networks (such as customer service centres, retail outlets and courier services).</li> <li>• Public infrastructure such as roads for delivering goods.</li> <li>• Vehicles.</li> <li>• Inventory/Stock.</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure that office buildings, warehouses, retail outlets, vehicles and equipment are efficient, well-maintained and adequately insured against relevant risks.</li> <li>• Operate a secure and resilient technological infrastructure.</li> <li>• Avoid obsolescence of products and services held for sale by procurement and inventory management.</li> <li>• Minimise our investments in working capital.</li> <li>• Manage our outsource partners to deliver on agreed service levels.</li> </ul>	<ul style="list-style-type: none"> <li>• Excessive write-offs or impairments of assets due to poor maintenance or inadequate investments.</li> <li>• Reduced service delivery capacity as a result of risks affecting supply chain, logistics and processes (both physical and electronic).</li> <li>• Product/Service offering, procurement, seller integration, and order and checkout flow.</li> <li>• Natural or human-induced disaster, and political risk.</li> <li>• Technical failures and cyber-incidents causing disruption.</li> </ul>	<ul style="list-style-type: none"> <li>• Robust business planning, including working capital.</li> <li>• Adequate insurance.</li> <li>• Maintenance programmes.</li> <li>• Business continuity planning, including disaster recovery and testing.</li> <li>• Contracting with and regular performance evaluations of our service providers.</li> <li>• Business and resource planning, including information and technology investment.</li> <li>• Asset maintenance programmes.</li> <li>• Insurance to protect business assets.</li> <li>• Responsible scaling strategies.</li> <li>• Business-continuity and disaster-recovery processes.</li> </ul> <p>The group's subsidiaries are required to act in line with Naspers's good governance guidelines, which, <i>inter alia</i>, requires them to maintain business-continuity and disaster-recovery plans. Businesses are responsible for ensuring adequate measures are in place for business and resource planning, supplier and external service provider selection, scaling strategies and insurance to protect their assets.</p>
 <b>Intellectual</b> <p>Intellectual capital (knowledge-based intangibles) includes intellectual property (IP) such as patents, copyrights, trademarks, domain names, confidential information, as well as institutional knowledge, systems, procedures and culture.</p>	<ul style="list-style-type: none"> <li>• Use intellectual capital to drive competitive advantage through customer-focused development and innovation strategies.</li> <li>• Adequately protect our intellectual capital and not infringe on rights of others.</li> <li>• Produce and acquire valuable content for consumption by our customers through our various platforms.</li> <li>• Cultivate positive, innovative, ethical cultures within the group.</li> <li>• Build intellectual capital through continuous investment in our people and knowledge-sharing programmes throughout the group.</li> </ul>	<ul style="list-style-type: none"> <li>• Ineffective response, including insufficient innovation, to meet our customers', changing demands and consumption patterns.</li> <li>• Improper use and/or inadequate protection of customer and privacy-sensitive data and other confidential information.</li> <li>• Failure to meet targets or lack of innovation.</li> <li>• Loss of market share, revenue and opportunities through infringement, theft or misuse of the business's IP rights.</li> <li>• Reputational damage or liability due to infringement, theft or misuse of IP and rights of third parties by any of our businesses.</li> <li>• Insufficient production of intellectual capital caused by inadequate human resource development and culture.</li> </ul>	<ul style="list-style-type: none"> <li>• Developing strategically important IP assets, as well as attracting, managing and developing talent, encouraging innovation, and managing performance to meet targets.</li> <li>• Developing relationships to grow intellectual capital, for example relationships with universities, think tanks and others.</li> <li>• Protect IP rights against infringement through effective cybersecurity measures guided by our global security policy.</li> <li>• Support provided by group head of IP. Group guidelines and monitoring in place.</li> <li>• Research and development spend strategies linked to value creation.</li> </ul>

## Managing risks and opportunities

continued

Type of capital	We aim to	Key risks to this capital	Measures to manage these key risks and maximise opportunities	
 Social and relationship	<p>We acknowledge that we are required to act in line with our values and code of business ethics and conduct, and manage both internal and external stakeholder relationships.</p> <ul style="list-style-type: none"> <li>Build trust and maintain the businesses' licences to operate, their brands and reputation.</li> <li>Cultivate an ethical culture.</li> <li>Engage with our stakeholders and respond to legitimate and reasonable issues raised.</li> <li>Meet the requirements of regulatory and financial authorities and participate in the development of policies beneficial to societies and markets in which we operate.</li> <li>Sustain corporate social initiatives focused, targeted and linked to business strategy.</li> </ul>	<ul style="list-style-type: none"> <li>Unethical behaviour in breach of our code of business ethics and conduct, including bribery and corruption and unfair treatment of stakeholders.</li> <li>Loss of consumer trust, for example failing to deliver on our service promise, data-security breaches, non-compliance and inferior product offerings.</li> <li>Non-compliance with laws and regulations in the countries where we operate, specifically, but not limited to: company law, data privacy, anti-bribery and anti-corruption, taxes and duties, licence conditions, consumer protection, anti-money-laundering, and international sanctions.</li> </ul>	<ul style="list-style-type: none"> <li>General ethics initiatives ensuring ethical standards for services and products provided.</li> <li>We continue to strengthen our regulatory teams, increase engagement with regulators and invest in corporate affairs, government relations and communication, while operating a robust legal compliance programme.</li> <li>Anti-bribery and anti-corruption initiatives as part of the legal compliance programme.</li> <li>Measuring and monitoring strength of customer relationships (such as net promoter score) and strategy to ensure customer satisfaction.</li> <li>Adopting measures to protect customers (including frameworks and policies in place, and training and awareness) and ensuring customer privacy and data security are managed and monitored. This includes measures to protect against cyberthreats.</li> <li>Managing stakeholder relationships and responding to legitimate and reasonable issues raised by major stakeholders.</li> <li>Corporate social investment programmes that benefit the community and the business, such as providing learning and internship opportunities to students, contributing to the community and improving employment in the country, but also contributing to the human, intellectual and financial capitals of the business in the long term.</li> </ul>	
 Natural	<p>We acknowledge that we are required to act in an environmentally responsible way. As an internet and entertainment group, Naspers has a relatively low impact on natural resources.</p> <p>Our businesses consider the extent to which natural capital may significantly affect current or future operations; trigger legal or regulatory processes or fees, such as emission fees; have a financial impact, eg on insurance conditions; and affect company image or relationships with stakeholders, eg changing customer and employee preferences. Each business's responses to mitigate key risks and pursue opportunities will differ depending on the unique risks and opportunities in their operating environments.</p>	<ul style="list-style-type: none"> <li>Comply with laws and regulations that relate to the environment.</li> <li>To be useful to the communities we serve, acknowledging that environmentally responsible behaviour forms part of that.</li> <li>Adhere to water preservation initiatives in the South African Western Cape province, which is struck by severe drought.</li> <li>Invest in high-growth markets and credible sustainable products that may offer new revenue streams.</li> </ul>	<ul style="list-style-type: none"> <li>Increased natural hazard costs, security costs or resource costs.</li> <li>Increased compliance costs, new regulations or licence fees.</li> <li>Changing customer, supplier and employee values or preferences may lead to reduced market share and decreased loyalty.</li> <li>Local communities where we operate may face reduced access to, or availability of, natural capital or related ecosystem services.</li> </ul>	<ul style="list-style-type: none"> <li>Reducing operational costs by minimising consumption and impact.</li> <li>Reducing environmental compliance/regulatory fees and charges.</li> <li>Our diverse businesses across the group adopt appropriate environmentally sustainable practices minimising the impact on natural capital, for example energy-saving, water-saving and recycling initiatives.</li> </ul>

# Governance



# Our board

## 1 Bob van Dijk

Chief executive – E, R, S

Bob was appointed chief executive of Naspers in April 2014. He joined the group as Allegro Group CEO in August 2013 and was promoted to CEO global transactions ecommerce in October 2013. He has 15 years of general management experience in online growth business across the world, spanning the online market-places, online classifieds and e-tail segments. Prior to his general management career, Bob was a founder of an online financial derivatives marketplace. He started his career in McKinsey with a focus on mergers and acquisitions, and media. Bob has an MBA Hons from INSEAD and an MSc (cum laude) in econometrics from Erasmus University, Rotterdam.

## 2 Don Eriksson

A, R, S

Don is a chartered accountant (SA) and an honorary life member of the Institute of Directors of Southern Africa (IoDSA). He is chair of Oakleaf Insurance Company Limited, Renasa Insurance Company, NMSIS Insurance Services and of the audit and risk committees of MultiChoice South Africa Holdings. He also serves as an independent non-executive director of Naspers Limited and chairs the audit, risk, and social and ethics committees of the Naspers group. Don served on the council of IoDSA and as a Trustee to the Discovery Health Medical Aid for a number of years. He was a partner at Coopers & Lybrand (now PricewaterhouseCoopers Inc.) and an executive director of the Commercial Union group of companies.

## 3 Nolo Letele

S

Nolo joined M-Net in 1990 and pioneered MultiChoice's expansion outside South Africa. In 1995 he moved to Ghana, where he served as West African regional general manager. In 1999 he was appointed chief executive of MultiChoice SA, and later served as the MultiChoice group chief executive until 2010, when he was appointed executive chair of the MultiChoice South Africa Holdings board. Nolo has won several awards, including Media Man of the Year in 2001 (Saturday Star – Business Report); Media Owner of the Year in 2003 (Financial Mail AdFocus) and the Lifetime Africa Achievement Prize for media development in Africa (Millennium Excellence Foundation). He holds an honours degree in electronic engineering (UK).

## 4 Koos Bekker

Chair – E, H, N

Koos led the founding team of the M-Net/MultiChoice pay-television business in 1985. He was also a founder of the cellular telephony group MTN. Koos headed the MIH group in its international and internet expansion until 1997, when he became chief executive of Naspers and led the group until 2014. He serves on the boards of other companies in the wider group. In April 2015 he succeeded Ton Vosloo as non-executive chair of Naspers. He holds a BA Hons and an honorary doctorate in commerce from Stellenbosch University, an LLB from the University of the Witwatersrand and an MBA degree from Columbia University, New York.

## 5 Craig Enenstein

H, N

Craig is the CEO of Corridor Capital, LLC, an operationally intensive private equity firm focused on the lower middle-market. Corridor Capital, LLC is based in Los Angeles and was founded by Craig in 2005. He holds an MBA in finance (Wharton School of Business, University of Pennsylvania), an MA in international studies (Lauder Institute, University of Pennsylvania) and a BA (University of California, Berkeley).

## 6 Rachel Jaftha

A, R, N, S

Rachel holds the degrees MEcon and PhD, and is a professor of economics at Stellenbosch University. She joined Naspers as a director in 2003 and was appointed a director of Media24 in 2007. She is a member of the South African Economic Society, director of Econex, chair of the Cape Town Carnival Trust and a member of the management committee of the Bureau for Economic Research at Stellenbosch University. She is a member of the human resources and remuneration committee of Media24 and chair of the nomination committee of Media24. She was appointed chair of the Media24 board in April 2013 and on 9 June 2015 she was appointed to Naspers's audit and risk committees. She has been serving on the international advisory Council of Fondação Dom Cabral Business School, Brazil since 2015.

## 7 Basil Sgourdos

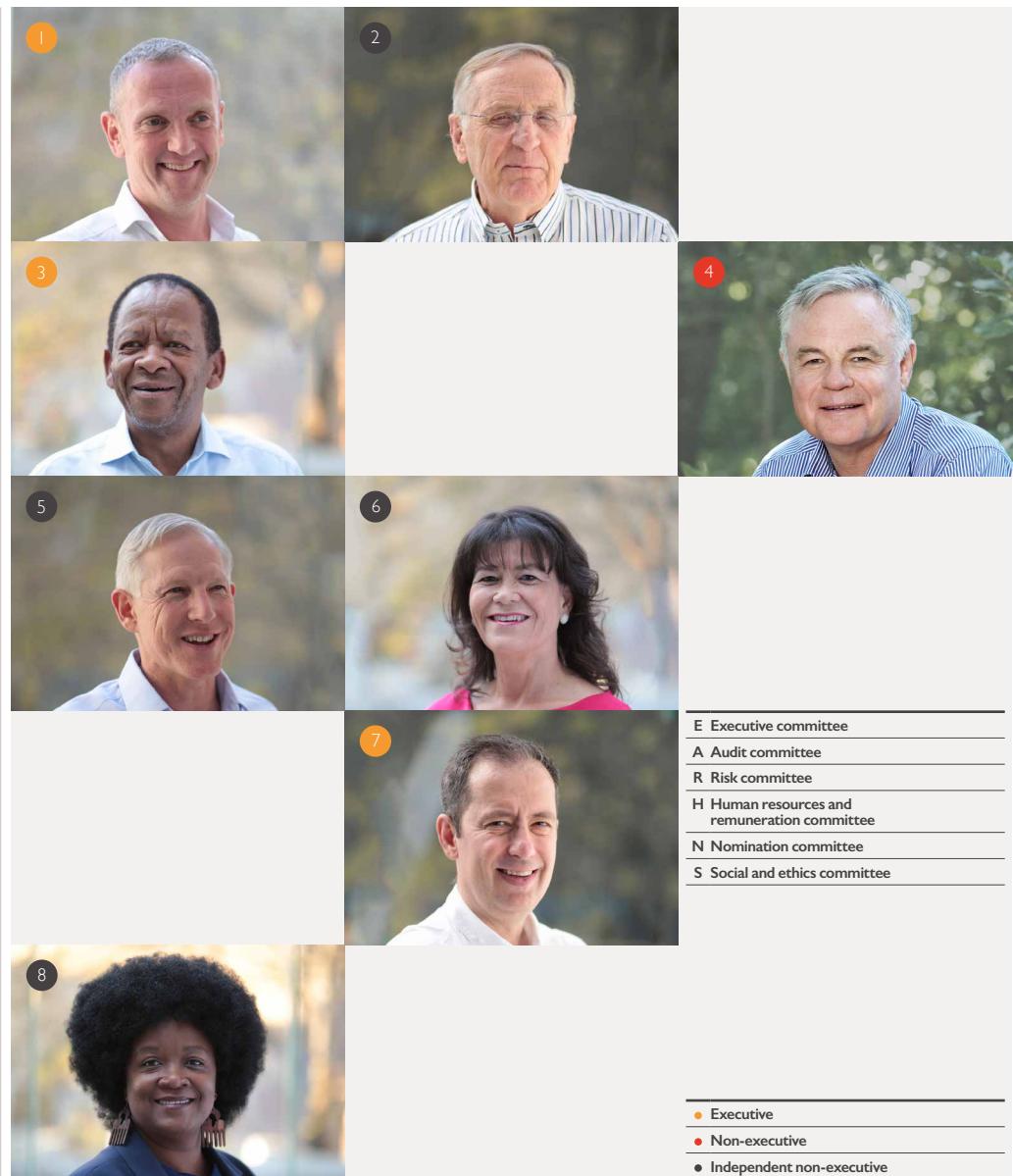
CFO – E, R, S (alt)

Basil was appointed financial director of Naspers in July 2014. As a qualified chartered accountant (SA), he worked at PricewaterhouseCoopers Inc. from 1989 to 1994. Thereafter he joined Naspers, initially as the finance manager of the South African operations division in MultiChoice and then as chief financial officer of our investment in the Thai-listed United Broadcasting Corporation Plc., where he remained for 10 years. Basil then spent two years in Amsterdam as general manager of global pay-television business development, before being appointed as group chief financial officer of MIH in January 2009. He held this position until he became group chief financial officer of the Naspers group on 1 July 2014.

## 8 Debra Meyer

S

Debra is professor of biochemistry and executive dean of the faculty of science at the University of Johannesburg. She was a Fulbright Scholar at the University of California, Davis, where she obtained a PhD in biochemistry and molecular biology. She has completed modules in media strategy and academic leadership at Harvard and Gibbs (University of Pretoria) and makes regular contributions to several newspapers and magazines. Debra serves as trustee and board member of several organisations.



E Executive committee

A Audit committee

R Risk committee

H Human resources and remuneration committee

N Nomination committee

S Social and ethics committee

● Executive

● Non-executive

● Independent non-executive

## Our board

continued

### 9 Ben van der Ross A, R

Ben holds the qualification DipLaw (University of Cape Town) and is an admitted attorney. He has previously served, among others, on the boards of FirstRand Limited, MMI Holdings Limited, Pick'n Pay Holdings Limited, Distell Limited and Lewis Group Limited.

### 10 Fred Phaswana E, H, N

Fred holds the qualifications MA (Unisa) and BCompt-Ions (Rand Afrikaans University, now University of Johannesburg), and obtained a BA (philosophy, politics and economics) from Unisa in 2010. He joined Naspers as a director in 2003. He is joint chair of the Mondi Group and former chair of The Standard Bank Group and of Standard Bank of South Africa Limited.

### 11 Hendrik du Toit H

Hendrik is chief executive officer of Investec Asset Management and a director of Investec plc and Investec Limited. He holds an MPhil in economics and politics of development from Cambridge University, as well as an MCom in economics (cum laude) from Stellenbosch University. Hendrik is currently a member of the Global Business and Sustainable Development Commission.

### 12 Mark Sorour<sup>(i)</sup>

Mark joined the Naspers group in 1994, heading up business development and corporate finance globally. Following a tour of duty in Hong Kong and Amsterdam, he returned to Cape Town as group chief investment officer and had the responsibility for all global investment activities. On 31 March 2018 Mark retired after more than 20 years with the group. Mark remained on the board as a non-executive director. Mark is a qualified chartered accountant (SA) holding a BCom and DipAcc.

### 13 Guijin Liu

Guijin graduated from Beijing University of Foreign Studies in 1971 and joined the Ministry of Foreign Affairs. He served in the General Office of MFA, various Chinese Embassies and in the Department of African Affairs for many years. Guijin is experienced in international affairs, particularly regarding relations between China and the developing world, such as Africa. He has contributed to international conferences of the UN, AU and other organisations representing China. Recently he participated in high-level academic forums including the WEF and the Summer Davos. Guijin currently serves as president of the Chinese Society of Asia and Africa Studies.

### 14 Roberto Oliveira de Lima H

Roberto graduated in public administration and has a post-graduate degree in business management from Fundação Getúlio Vargas in Brazil. Roberto also has a specialisation in finance and strategic planning from Institut Supérieur des Affaires in France. He developed his career in companies like Saint Gobain, Rhône-Poulenc and Accor Group in the information technology and finance areas. He was chair and CEO of Credicard Group, CEO of Vivo SA, the largest mobile telecommunications company in Brazil, chair of Publicis Brazil and president of Natura SA. He has been serving as a board member for Edenred in France, Pão de Açúcar (Casino) and Natura SA in Brazil since 2011. Currently, he is a member of the board of directors of Telefónica Brasil SA, RNI Negócios Imobiliários SA and Petrobras Distribuidora SA.

### 15 Emelie Choi R, H

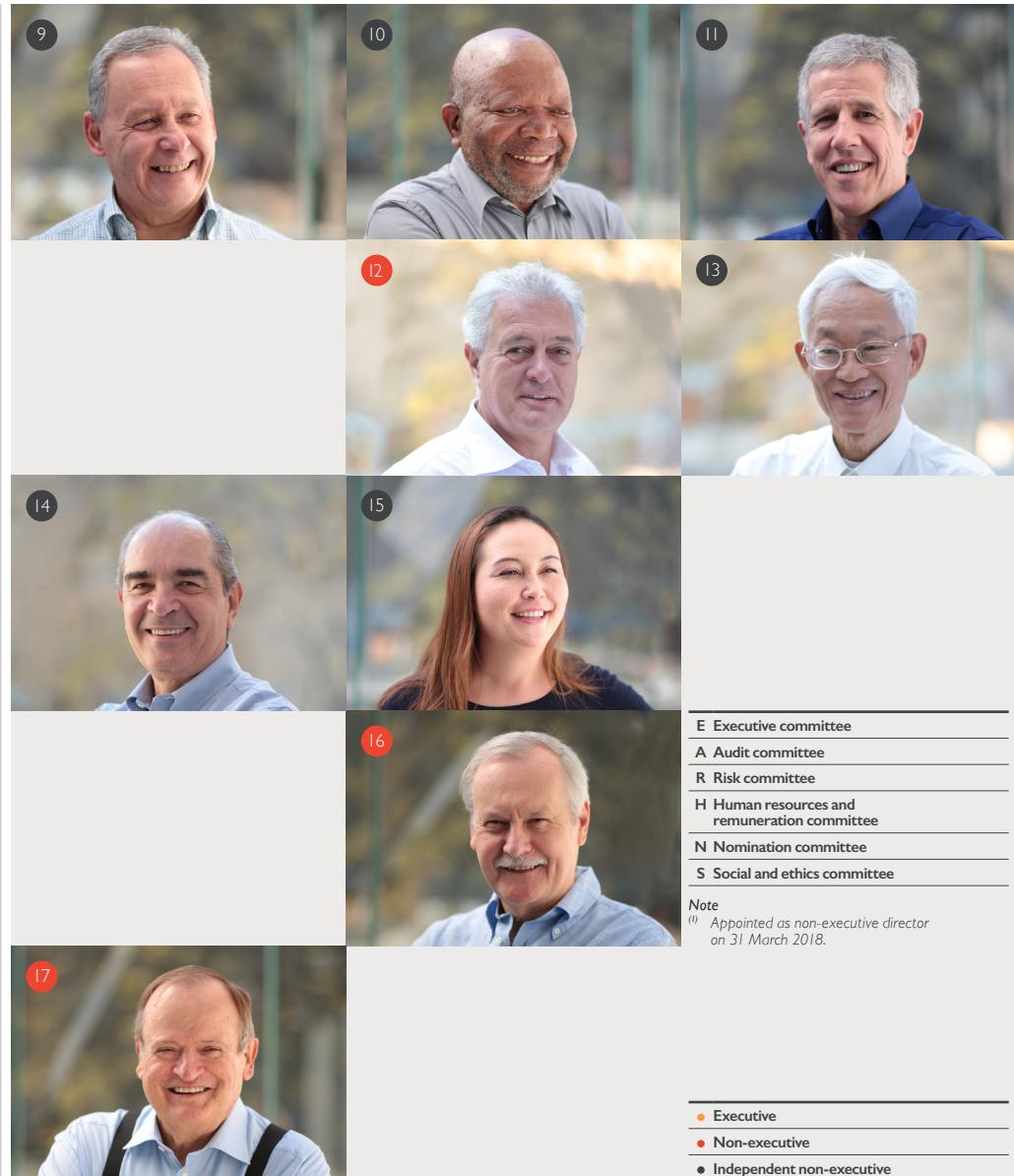
Emelie runs and oversees corporate and business development, business operations and analytics, and ventures businesses for Coinbase. Prior to Coinbase, she ran corporate development for LinkedIn and led all M&A deals in the company's history, including Lynda, Connectifier, Bizo, Newsle, Bright, Pulse, SlideShare, Connected, Rapportive, IndexTank and CardMunch, as well as leading the LinkedIn JV deal in China. Prior to LinkedIn, Emelie worked in corporate development and strategy roles at Warner Bros. Entertainment as well as Yahoo Inc., where she worked on such deals as Flickr and the Yahoo investment in Alibaba. Emelie holds an MBA from Wharton School at the University of Pennsylvania and a BA in economics from Johns Hopkins University. She joined the Naspers board as a director in 2017.

### 16 Steve Pacak E, R

Steve, a chartered accountant (SA), began his career with Naspers at M-Net in 1988 and has held various executive positions in the Naspers group. He is a director of MultiChoice South Africa Holdings and other companies in the wider Naspers group. He was appointed an executive director of Naspers in 1998 and a non-executive director in January 2015. He retired as Naspers's financial director on 30 June 2014, but remained on the board as an alternate non-executive director.

### 17 Cobus Stofberg S

Cobus is a founder member of M-Net. He served as chief executive of the MIH group from 1997 to 2011 and has been instrumental in the expansion of the group. Prior to M-Net, he was a partner of Coopers & Lybrand (predecessor of PricewaterhouseCoopers Inc.). He holds a BComLaw and LLB from Stellenbosch University, BCompt-Ions from Unisa and is a qualified chartered accountant (SA).



E Executive committee

A Audit committee

R Risk committee

H Human resources and remuneration committee

N Nomination committee

S Social and ethics committee

Note

<sup>(i)</sup> Appointed as non-executive director on 31 March 2018.

● Executive

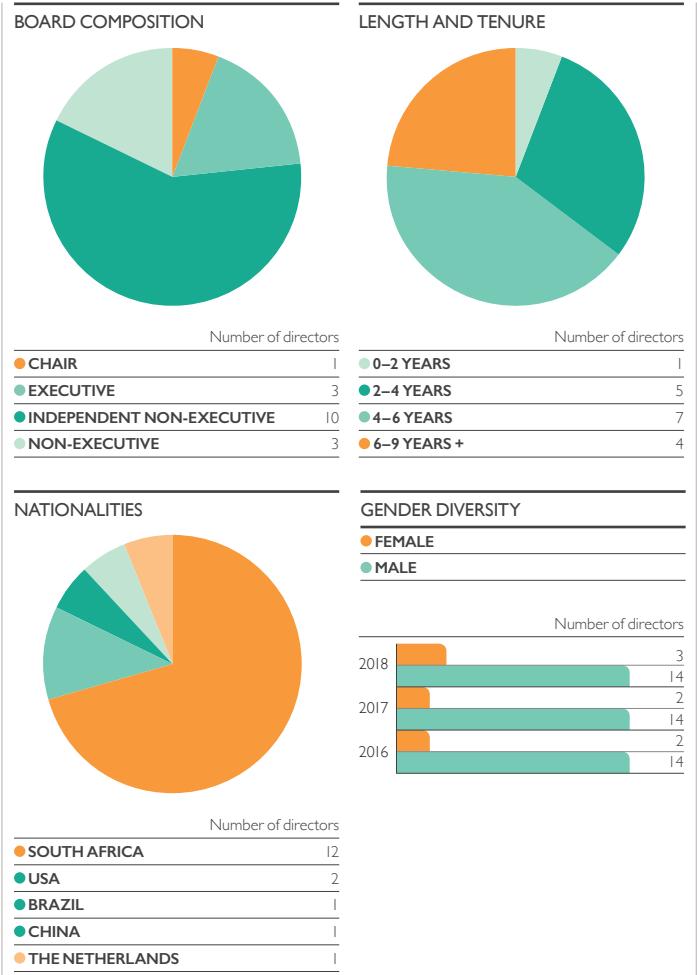
● Non-executive

● Independent non-executive

## Our board

continued

**The board is the decisionmaking body for all matters of such importance as to be significant to the group as a whole.**



### Attendance at board meetings

Board member	Date first appointed in current position	Date last appointed	Attendance	Category
J P Bekker <sup>(2)</sup>	17 April 2015	25 August 2017	8/8	Non-executive
E M Choi	21 April 2017	21 April 2017	8/8	Independent non-executive
H J du Toit	1 April 2016	1 April 2016	8/8	Independent non-executive
C L Enenstein	16 October 2013	28 August 2015	8/8	Independent non-executive
D G Eriksson	16 October 2013	28 August 2015	8/8	Independent non-executive
R C C Jafta	23 October 2003	25 August 2017	8/8	Independent non-executive
F L N Letele	22 November 2013	26 August 2016	8/8	Executive
G Liu	1 April 2016	1 April 2016	7/8	Independent non-executive
D Meyer	25 November 2009	26 August 2016	8/8	Independent non-executive
R Oliveira de Lima	16 October 2013	26 August 2016	8/8	Independent non-executive
S J Z Pacak <sup>(2)</sup>	15 January 2015	25 August 2017	8/8	Non-executive
T M F Phaswana <sup>(2)</sup>	23 October 2003	25 August 2017	7/8	Independent non-executive
M R Sorour <sup>(1)</sup>	15 January 2015	28 August 2015	8/8	Non-executive
V Sgourdos <sup>(2)</sup>	1 July 2014	29 August 2014	8/8	Executive
J D T Stofberg	16 October 2013	26 August 2016	8/8	Non-executive
B van Dijk <sup>(2)</sup>	1 April 2014	29 August 2014	8/8	Executive
B J van der Ross	12 February 1999	25 August 2017	7/8	Independent non-executive

#### Notes

- <sup>(1)</sup> Appointed as non-executive director 1 April 2018.
- <sup>(2)</sup> Members of the executive committee.

# Governance for a sustainable business

*"I am pleased to present this year's governance report. It has been a stand-out year and we have continued to improve our processes, especially around ethical conduct management."*

Koos Bekker  
Chair

The board of directors conducts the group's business with integrity by applying appropriate corporate governance policies and practices. 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 thriving organisational ethical culture in the different geographies where the group operates. 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 important to the sustainability of the group.

Refer to the full governance report for a detailed review of the board and its committees.

## Introduction

Naspers has a primary listing on the JSE Limited (the JSE). The company is therefore subject to the JSE Listings Requirements, the guidelines in the King IV™ Report on Corporate Governance for South Africa, 2016 (King IV™), as well as legislation applying to publicly listed companies in South Africa. Naspers also has a secondary listing of its American Depository Shares (ADSs) on the London Stock Exchange (LSE). In addition, a subsidiary, Myriad International Holdings B.V., has bonds, guaranteed by Naspers, which are listed on the Irish Stock Exchange (ISE).

The audit and risk committees of the board monitor compliance with the JSE and applicable LSE and ISE listings requirements.

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.

## 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 Naspers manages governance.

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

## Naspers group governance framework

The Naspers board is the focal point for and custodian of the group's corporate governance systems. The board conducts the group's business with integrity and applies appropriate corporate governance policies and practices in the group.

The Naspers board, its committees, and the boards and committees of subsidiaries MultiChoice and Media24 are responsible for ensuring the appropriate principles and practices of King IV™ 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 principles of King IV™. Business and governance structures have clear approval frameworks.

Naspers has a governance committee (formerly internal control oversight forum) comprising the chief financial officers (CFOs) and risk and internal audit managers of Naspers, Naspers Ecommerce, Video Entertainment and Media24, the Naspers group company secretary, the Naspers global governance partner and group general counsel. The committee 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. Governance and progress are monitored by the audit and risk committees and reported to the board.

The composition of committees of the board and committees of the boards of MultiChoice and Media24 is reviewed annually and, where required, amended.

Details of the enterprise-wide risk management framework appear on page 52.

## Statement of the board

Naspers is required, in terms of the JSE Listings Requirements to report against the application of the principles of King IV™. In line with the overriding principle in King IV™ of apply and explain, the board, to the best of its knowledge, believes the group has satisfactorily applied the principles of King IV™. For a more detailed review see the King IV™ application report.

## Our journey to align with King IV™ and approach to apply King IV™

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 board policies, charters and governance practices formed the starting point. In the 2018 financial year we made

system and process changes to enable the implementation of recommended or alternative practices to demonstrate application of King IV™'s principles. Focus areas for the 2018 financial year included, but were not limited to, enhanced disclosures in the 2018 integrated annual report and continued focus on governance of information and technology, in particular; information and technology security.

All board and board committee charters and policies were reviewed with a view to aligning them with the recommendations contained in King IV™ and the requirements of the amended JSE Listings Requirements.

King IV™ advocates a qualitative approach to implementing recommended practices to achieve the application of the principles and to realise the intended governance outcomes. King IV™ states that recommended practices are meant to be scaled in accordance with the proportionality considerations of the various businesses in our group. We take into account proportionality when we apply corporate governance in the group. This means we apply the practices needed to demonstrate the group's governance in terms of King IV™ as appropriate across the group. The companies in our group are diverse and at different maturity stages, a one-size-fits-all approach therefore cannot be followed when implementing governance practices. All good governance principles apply to all types and sizes of companies, but the practices implemented by different companies to achieve the principles may be different. Practices must be implemented as appropriate for each company in line with the overarching good governance principles.

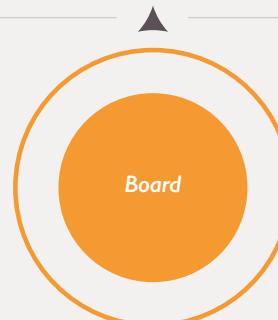
## Governance for a sustainable business

continued

### Naspers group governance framework

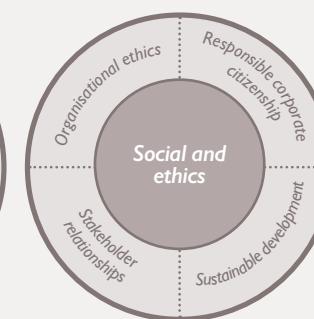
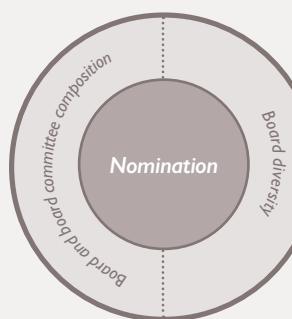
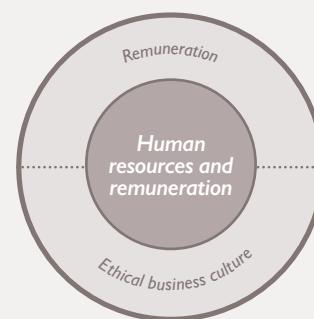
*Ultimately we report to stakeholders in the integrated report and other releases*

**Board**  
Supported by company secretary/governance



Reporting to ensure accountability in these governance areas

**Board committees**  
Supported by company secretary/governance



Management and group support functions



► Group support functions

- Human resources and remuneration
- Legal compliance\*
- Tax
- Investor relations
- IARS\*\*
- Finance
- Data privacy
- Intellectual property

Underlying framework foundation

Values

Code of business ethics and conduct

Strategy

Various charters and policies\*\*\*

Naspers good governance guidelines

Performance against strategy (financial and non-financial: six capitals)

► Read more on page 18

Business ethics

► Read more on page 65

Responsible corporate citizenship

► Read more on pages 36, 43, 46, 47 and 65

Risk governance

► Read more on page 52

Technology and information governance

► Read more on page 66

Legal compliance governance

► Read more on page 65

Combined assurance

► Read more on page 6

Stakeholder relationship governance

► Read more on page 20

Group governance

► Read more on page 58

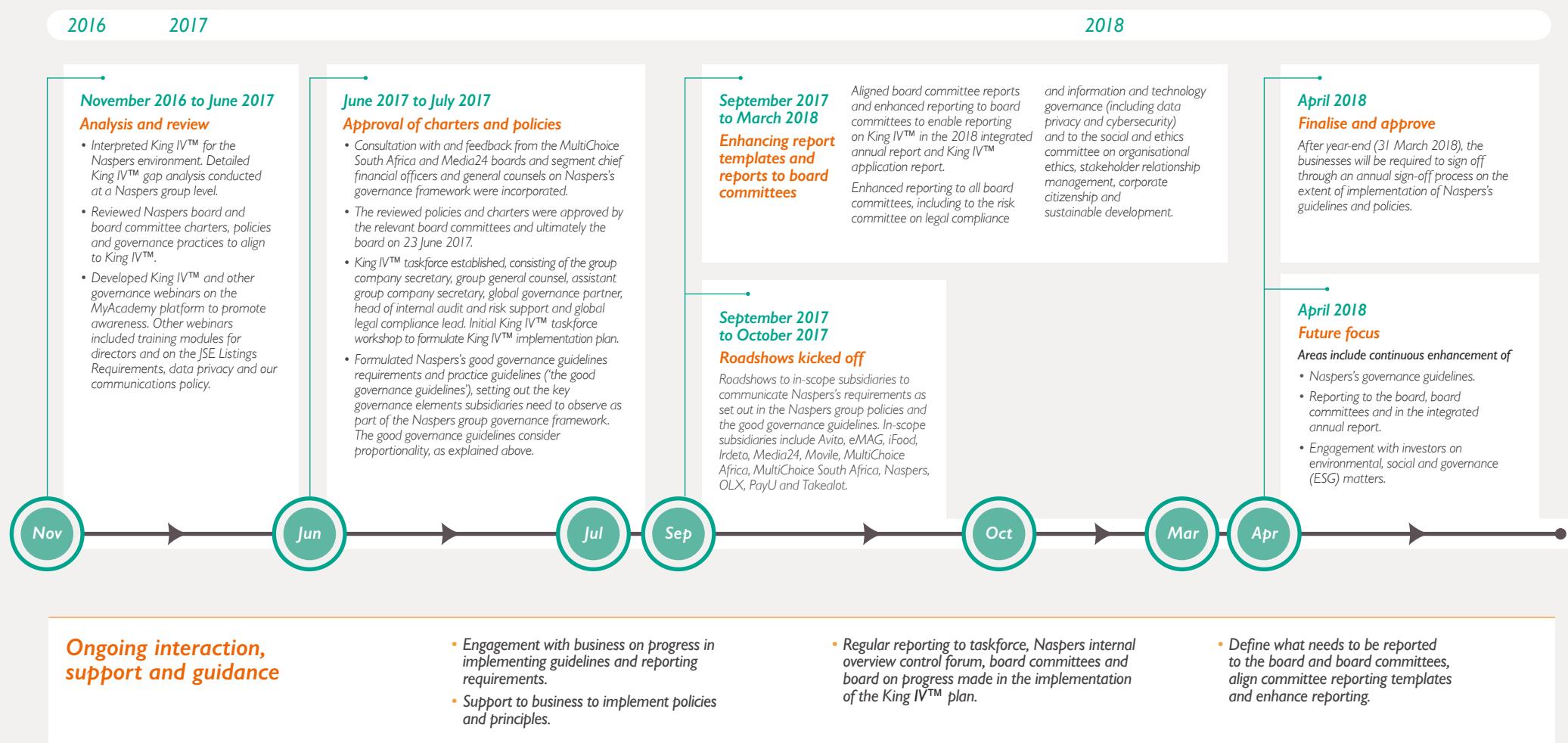
Remuneration governance

► Read more on page 68

## Governance for a sustainable business

continued

### Progress made and King IV™ milestones



#### Approach to King IV™ rollout:

- Expectations on requirements to address gaps on current structure, processes and reporting were communicated to subsidiaries.
- Responsibilities assigned for different reporting areas to representatives in Naspers and group businesses.
- Reporting process, including reporting templates and tools, developed and distributed to Naspers subsidiaries.
- CFO and legal counsels in segments and subsidiaries responsible for leading the rollout in their segments and subsidiaries.
- Connecting King IV™ and other group initiatives, leverage on existing structures, processes and materials.

## Governance for a sustainable business

continued

### Business ethics

The group's code of business ethics and conduct is available on [www.naspers.com](http://www.naspers.com).

This code applies to all directors and employees in the group. Ensuring that group companies adopt appropriate processes and establish supporting policies and procedures is an ongoing process. Management focuses on policies and procedures that address key ethical risks, such as conflicts of interest, accepting inappropriate gifts and acceptable business conduct.

The social and ethics committee is responsible for overseeing and reporting on business ethics in relation to the Naspers group, taking into account specific disclosures and best practice as recommended by King IV™. Businesses in our group apply zero tolerance to violations of the code by taking the necessary action, including improving the control environment or taking the necessary disciplinary, criminal or civil action. Reports are provided to the social and ethics committee to demonstrate this. Unethical behaviour by senior employees is also reported to the human resources and remuneration committee, along with the way the company's disciplinary code was applied.

Naspers is committed to conducting its business on the basis of complying with the law, with integrity and with proper regard for ethical business practices. It expects all directors and employees to comply with these principles and, in particular, to avoid conflicts of interest and not to engage in insider trading, illegal anti-competitive activities, and bribery and corruption.

During the year we designated 12 ethics officers around the group. These officers serve as central points of contact for advice on ethics-related queries, improprieties, allegations and complaints. They report on ethics-

related matters via the Naspers ethics officer, who is the central Naspers contact for Naspers ethics matters, to the social and ethics committee. Ethics officers' responsibilities include:

- Understanding and applying the code of business ethics and conduct (the code) and whistleblower policy.
- Upholding corporate values.
- Managing internal speak-ups and providing guidance.
- Assisting with awareness campaigns on the code and whistleblower policy.
- Maintaining confidentiality in relation to ethics-related matters.
- Maintaining records and reporting on ethics-related matters.

To facilitate disclosure of improper conduct, Naspers has an independent

external whistleblower facility, OpenLine, operated by Deloitte's Tipoffs Anonymous. Details of this facility are published on the corporate website, [www.naspers.com](http://www.naspers.com). All stakeholders can report unethical behaviour and wrongdoing anonymously and confidentially. The line operates globally, 24/7/365 with live answering.

This year we embarked on an awareness campaign across the group, with the theme 'It's your business'. The campaign led to our group companies setting the tone of reporting unethical business practices.

### It's your business/speak out

During the year we created awareness on the code and whistleblower policy

throughout the group. In-scope subsidiaries included Avito, Buscapé, eMAG, iFood, Irdeto, Media24, Moviele, MultiChoice Africa, MultiChoice South Africa, Naspers, OLX, PayU and Takealot. The training methods used by subsidiaries included elearning modules on the MyAcademy platform, face-to-face training, presentations and storyboarding for disabled employees. Elearning modules were translated into Portuguese, Spanish and Russian. Further translations planned include Romanian and Bulgarian. In-scope subsidiaries were determined based on proportionality and maturity.

The Naspers social and ethics committee receives reports on business ethics management and monitoring –

refer to the social and ethics committee report in the full governance report.

Key areas of focus going forward include regular engagement between the group's ethics officers, where they can share experiences, identify ethics challenges and share best practice. This will establish a Naspers-designated ethics officers' community and assist us in tailoring tools and support.

We plan to launch an ethics reawareness campaign for in-scope subsidiaries and to assess launching an ethics-awareness campaign for other subsidiaries, taking into account proportionality.

### Stakeholder relationships

Representatives of our businesses manage various external and internal stakeholder relationships. Our businesses manage their stakeholder relationships based on a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the businesses.

To support the board to fulfil its governance role, the Naspers social and ethics committee receives reports on stakeholder management across the group – refer to the social and ethics committee report on page 21 of the full governance report.

An overview of our stakeholders and stakeholder engagement is provided on page 20.

### Sustainable development and corporate citizenship

Naspers's commitment to sustainable development and corporate citizenship is articulated in its sustainable development policy. To support the board to fulfil its governance role, the social and ethics committee receives reports on Naspers's social and ethics

performance, using the six-capitals reporting framework – refer to the social and ethics committee report in the full governance report. We recognise that sustainable development and economic, social and environmental protection are global imperatives that present both opportunities and risks for business. We build leading companies that empower people and enrich communities. Corporate citizenship is integral in the way we do business.

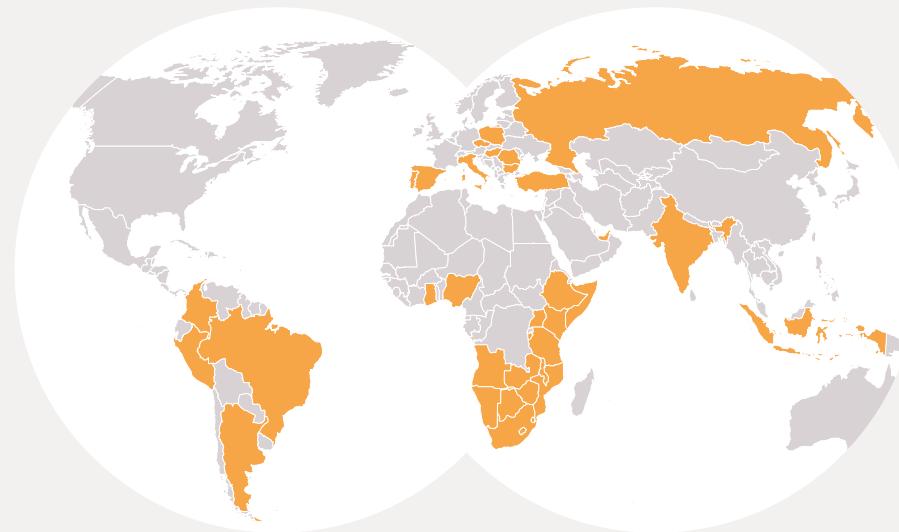
An overview of our capitals and value creation is provided on pages 18 and 28.

Going forward, management will enhance reporting techniques on how it reports to the social and ethics committee on responsible corporate citizenship and sustainable development using the six-capitals reporting framework.

### Legal compliance

Legal compliance falls within the responsibilities of the group general counsel, who is also the chief legal compliance officer. The Naspers board has delegated the responsibility for

#### Openline operates globally



IT'S  
YOUR  
BUSINESS



DON'T JUST IGNORE IT

CONTACT DETAILS FOR OPENLINE,  
THE NAPERS WHISTLEBLOWER SERVICE ARE:

W: [openline.naspers.com](http://openline.naspers.com)  
E: [Openline@tip-offs.com](mailto:Openline@tip-offs.com)  
T: +27 31 571 5695  
and other local numbers available



## Governance for a sustainable business

continued

overseeing legal compliance to the risk committee of the Naspers board. To assist the risk committee in discharging this responsibility, the chief legal compliance officer reports on legal compliance to the risk committee. Legal compliance is a standing agenda point. Responsibility for legal compliance in each segment rests with the general counsel of that segment, who oversees legal compliance for the subsidiaries within his or her segment.

During the 2017 and 2018 financial years the group has been enhancing its legal compliance framework by identifying key legal compliance risks. The enhancements respond to the increased expectations of regulators and stakeholders. In addition, they align the group to market conditions, which show a deepening of policies and procedures as relevant areas of the law and best practice become more developed.

The legal compliance framework includes the following:

- Groupwide policies that apply to every legal compliance programme in the group, built on the principles in the code of business ethics and conduct. Subsidiaries are responsible for implementing a fit-for-purpose legal compliance programme based on the risks applicable to their business but, as a minimum, containing these group policies.
- A compliance toolkit including detailed guidelines and resources based on the group policies to be tailored by the segments and businesses to reflect local legal requirements and risks.

The legal compliance programme is led by the chief compliance officer and global compliance lead with support from external consultants.

The enhanced groupwide legal compliance, anti-bribery and anti-corruption, sanctions and export controls and competition compliance policies were reviewed and approved by the Naspers board in June 2017.

Assurance on the effectiveness of compliance management is received through a combined assurance model.

As part of the enhanced legal compliance framework, each segment is required to provide a quarterly legal compliance report to the group legal compliance function. This report includes an overview of key compliance risk areas and mitigating measures, key compliance regulatory developments and material compliance incidents and investigations. The group legal compliance function uses these reports to compile a consolidated report that is reviewed by the chief compliance officer and is subsequently provided to the risk committee of the Naspers board.

Planned areas of future focus for legal compliance include continuing to raise compliance awareness across the group. Improvements to the legal compliance framework will be made based on emerging risks, feedback from monitoring activities and a greater focus on third-party screening. With internal audit, we will also be focusing on our assurance framework.

There were no material or repeated regulatory penalties, sanctions or fines for contraventions of, or non-compliance with, statutory obligations.

There were no inspections by environmental regulators or findings of non-compliance with environmental laws.

To support the board to fulfil its governance role, the Naspers risk committee receives reports on legal compliance – refer to the risk committee report on page 27 of the full governance report.

### Information and technology governance

Information and technology (I&T) governance is integrated in the operations of the Naspers businesses. Management of each subsidiary or business unit is responsible for ensuring effective processes on I&T governance are in place.

The risk committee assists the board with overseeing I&T-related matters. I&T governance is a standing point on the risk committee agenda. I&T objectives have been included in the risk committee charter. The risk committee considers the risk register, as well as reports on I&T from internal audit and risk support and our legal compliance function.

The group's subsidiaries are required to act in line with Naspers's good governance guidelines, which, among others, detail I&T governance-related matters. Subsidiaries of each major entity are required to submit an annual formal written report on the extent to which they have implemented the principles, and chief executives and CFOs sign off thereon. Any notable exceptions are summarised and reported to the risk committee.

We continuously look at how we can better integrate people, technologies and processes. During the year, we have made further progress in implementing SAP across the group to unify key finance business processes. During our annual business planning process, our various businesses consider their platform requirements. The platform strategy starts from the business strategy and is translated into technical and process requirements.

Business continuity is included in the group's risk register, which is reviewed and discussed by the risk committee twice a year and, annually, by the board. Business resilience is the key objective of our cybersecurity policy. The

capability of businesses to respond to disruption is in scope for internal audit, bearing in mind the perspective of our customers and end users.

A comprehensive code of business ethics and conduct is in place. In addition, the operational boundaries to dealing with I&T are subject to the group's legal compliance policy. Our risk management practices ensure that relevant risks relating to the ethical and responsible use of technology and information are identified and assessed. Our social and ethics committee oversees this area. We are running a privacy programme to ensure that the personal data of our suppliers, customers and employees is stored and processed in an ethical manner and in compliance with relevant privacy laws. A key focus for the new financial year is the Protection of Personal Information (PoPI) Act, which promotes the protection of personal information by public and private bodies in South Africa and General Data Protection Regulation (GDPR), a regulation in the European Union (EU) on data protection and privacy for all individuals within the EU addressing the export of data outside the EU.

Internal audit provides assurance to management, the audit committee and the board on the effectiveness of I&T governance. The detail of controls to manage identified risks and reduce vulnerability forms the basis of internal audit's assurance plans.

To support the board to fulfil its governance role, the Naspers risk committee receives reports on I&T management – refer to risk committee report on page 27 of the full governance report.

Planned areas for future focus for I&T governance include the development and deployment of data-driven technologies (such as machine learning and artificial intelligence), cybersecurity and data privacy.

### Penalties

Because MultiChoice operates in a highly regulated environment in South Africa, compliance is important. The company participates in the regulatory process affecting its industry through various public forums and debates, providing inputs on formulating standards and strategies for the industry.

MultiChoice and M-Net received fines from the self-regulatory body, the Broadcasting Complaints Commission of South Africa (BCCSA). These relate to failure by channels to provide correct classification information, resulting in MultiChoice and M-Net contravening the BCCSA Code.

Fines paid to the BCCSA:

- 2016 financial year: R10 000
- 2017 financial year: R90 000, and
- 2018 financial year: Rnil.

Several media industry players, including MultiChoice and Media24, have settled the industrywide advertising discounts matter with the Competition Commission of South Africa, entering into consent agreements with the Competition Commission. The agreements were approved by the Competition Tribunal. DStv Media Sales Proprietary Limited (DMS), a subsidiary of MultiChoice, agreed that an administrative penalty of R22m be paid (provided for in the prior financial year) and a contribution of R8m, payable over three years, to a fund to be administered through an industry trust to assist small black-owned media agencies. Media24 agreed to pay R14m and R5m respectively.

During the past year there were no environmental accidents, nor were any environment-related fines imposed by any government.

## Governance for a sustainable business

continued

### Internal control systems

As part of the overall management of risk, the system of internal controls in all material subsidiaries and joint ventures under the company's control aims to prevent and detect any risk materialising and to mitigate any adverse consequences thereof. The group's system of internal controls is designed to provide reasonable, and not absolute, assurance on the achievement of company objectives, including integrity and reliability of the financial statements; to safeguard, verify and maintain accountability of its assets; and to detect fraud, potential liability, loss and material misstatement while complying with regulations. For those entities in which Naspers does not have a controlling interest, the directors representing Naspers on these boards seek assurance that significant risks are managed and systems of internal control are effective.

All internal control systems have shortcomings, including the possibility of human error or flouting of control measures. Even the best system may provide only partial assurance. In the dynamic environment in which the company operates, management regularly reviews risks and the design of the internal controls system to address these, assisted by the work and reports from internal audit on the adequacy and operational effectiveness of controls, which may indicate opportunities for improvement. The external auditor considers elements of the internal controls system as part of its audit and communicates deficiencies when identified.

The board reviewed the effectiveness of controls for the year ended 31 March 2018, principally through a process of management self-assessment, including formal confirmation in the form of representation letters by executive management. Consideration was given

to input, including reports from internal audit and the external auditor, compliance and the risk management process. Where necessary, programmes for corrective actions have been initiated.

Nothing has come to the attention of the board, external or internal auditors to indicate any material breakdown in the functioning of internal controls and systems during the year under review.

#### Internal audit

An internal audit function is in place throughout the group. The head of internal audit reports to the chair of the Naspers audit committee, with administrative reporting to the financial director. A large part of the internal audit fieldwork is co-sourced.

Internal audit annually provides a statement on the effectiveness of Naspers's governance, risk management and control processes to the audit committee. An independent review on internal audit is done at least every five years. The last review was performed by PwC in 2017. The head of internal audit and risk support confirms annually to the board that internal audit conforms to meet the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors and its code of ethics.

#### Non-audit services

The group's policy on non-audit services provides guidelines on dealing with audit, audit-related, tax and other non-audit services that may be provided by Naspers's independent auditor to group entities. It also sets out services that may not be performed by the independent auditor.

The audit committee preapproves audit and non-audit services to ensure these do not impair the auditor's independence and comply with legislation. Under our guiding principles, the auditor's independence will be deemed impaired if the auditor provides a service where he/she:

- functions in the role of management of the company, or
- audits his/her own work, or
- serves in an advocacy role for the company.

#### Company secretary

The company secretary, Gillian Kisbey-Green, and David Tudor, group general counsel (and legal compliance officer), are responsible for guiding the board in discharging its regulatory responsibilities.

Directors have unlimited access to the advice and services of the company secretary. She plays a pivotal role in the company's corporate governance and ensures that, in accordance with the pertinent laws, the proceedings and affairs of the board, the company itself and, where appropriate, shareholders are properly administered. She is also the company's compliance officer as defined in the Companies Act and delegated information officer. The company secretary monitors directors' dealings in securities and ensures adherence to closed periods. She attends all board and committee meetings. In accordance with King IV™ the performance and independence of the company secretary is evaluated annually.

As required by JSE Listings Requirement 3.84(h), the board has determined that the company secretary, who is a chartered accountant (SA) with more than 25 years' company secretarial experience, has the requisite competence, knowledge and experience to carry out the duties of a secretary of a public company and has an arm's length relationship with the board. The board is satisfied that the arrangements for providing corporate governance services are effective.

#### Investor relations

Naspers's investor relations policy can be found on [www.naspers.com](http://www.naspers.com). It describes the principles and practices applied in interacting with shareholders and investors. Naspers is committed to providing timely and transparent information on corporate strategies and financial data to the investing public. In addition, we consider the demand for transparency and accountability on our non-financial (or sustainability) performance. In line with King IV™, we recognise that this performance is based on the group's risk profile and strategy, which includes non-financial risks and opportunities.

The company manages communications with its key financial audiences, including institutional shareholders and financial (debt and equity) analysts, through a dedicated investor relations unit. Presentations and conference calls take place after publishing interim and final results.

A broad range of public communication channels (including stock exchange news services, corporate website, press agencies, newswires and news distribution service providers) is used to disseminate news releases. These channels are supplemented by direct communication via email, conference calls, group presentations and one-on-one meetings. Our policy is not

to provide forward-looking information. Naspers complies with legislation and stock exchange rules on forward-looking statements.

#### Closed periods

Naspers would typically be in a closed period on the day after the end of a reporting period (30 September or 31 March) until the release of results. General investor interaction during this time is limited to discussions on strategy and/or historical, publicly available information.

#### Analyst reports

To enhance the quantity and quality of research, Naspers maintains working relationships with stockbrokers, investment banks and credit-rating agencies – irrespective of their views on or recommendations to the group. Naspers may review an analyst's report or earnings model for factual accuracy of information in the public domain, but in line with regulations and group policy we do not provide guidance or forecasts.

The board encourages shareholders to attend the annual general meeting, notice of which is contained in this integrated annual report, where shareholders have the opportunity to put questions to the board, management and the chairs of the various committees.

The company's website [www.naspers.com](http://www.naspers.com) provides the latest and historical financial and other information, including financial reports.

# Remuneration report for the year ended 31 March 2018

**“We aim to attract, motivate and retain the best leaders, entrepreneurs, creative engineers and employees to create sustainable shareholder value.”**

**Craig Enenstein**  
Chair: Human resources and remuneration committee

Dear Shareholder

On behalf of the board, I am pleased to present our 2017/18 remuneration report.

This report is my first in the chair of the human resources and remuneration committee. I welcome fellow directors Emilie Choi and Roberto Oliveira de Lima to the committee and thank the outgoing chair, Rachel Jafra and alternate committee member, Cobus Stofberg, for their contributions.

This year, we have revised our approach in order to demonstrate more clearly the link between Naspers's strategy, performance and our remuneration philosophy. This report is designed to be easier to understand and to ensure greater transparency regarding how we pay our executives. We are grateful to our shareholders for their input, which was considered carefully. Changes include a total view of executive remuneration, greater transparency on the short-term incentive goals of executive directors and more information on how we assess performance throughout the group.

We have incorporated changes to ensure compliance with the King IV™ guidance, which is effective from 1 April 2017. In line with King IV™, our 2017/18 remuneration report is split into three sections:

**1. The background statement:**

Provides an overview of pay outcomes for 2017/18 and our approach for 2018/19.

**2. The remuneration policy:**

Provides information on the components of our executive-pay packages.

**3. The implementation report:**

Sets out information on how we implemented our policy in 2017/18.

We have made several changes to the design of executive remuneration for the forthcoming 2018/2019 financial year. These are detailed in sections 1 and 3. When making executive awards, the committee has considered the need to maximise shareholder value. Details of the cost of our long-term incentives can be found on page 90.

We engaged external advisors to provide advice on executive remuneration and the committee is satisfied that they are objective and independent.

**Our strategy drives our pay principles**

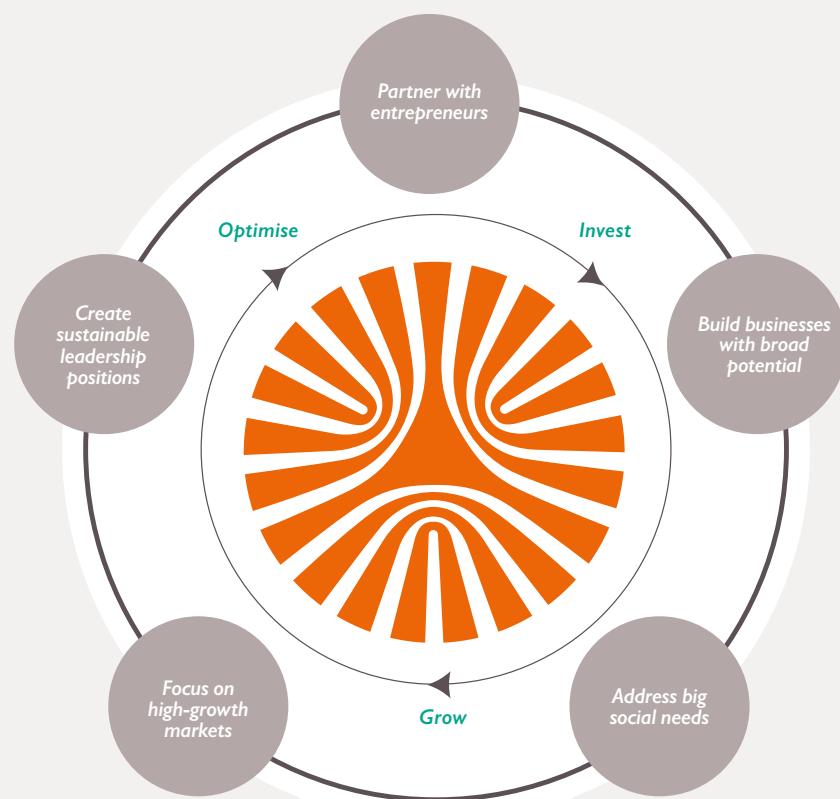
Across our group, we use technology to provide new and exciting ways for our customers to be informed, entertained and to trade online. As one of the largest technology investors in the world, operating in more than 120 countries, we focus on high-growth markets and we invest in local, empowered teams with an ownership mentality. Our business moves fast as technology trends and consumer adoption changes, and we seek to run businesses that have broad potential, can address big societal needs and can attain market leadership over time.

Our people are at the heart of our success. Without the driven entrepreneurs with whom we partner, the digital leaders who drive us forward and the skills our people bring to the group in highly specialised areas such as technology development, product design, machine learning and artificial intelligence, content rights, digital marketing and many other disciplines, we would not be able to compete as effectively as we do. We operate in a highly competitive, global market for this type of talent, and we compete against other world-class companies for great people.

## How we add value

We pursue growth by building leading companies that empower people and enrich communities.

**What we do:**



*Underpinned by our active capital allocation and strategy.*

We ensure we optimise our portfolio for growth and competitiveness.

► [Read more on page 26](#)

# Remuneration report for the year ended 31 March 2018

*continued*

## Our remuneration philosophy

Our remuneration philosophy underpins our group's strategy and enables us to achieve our business objectives. Our commitment to pay for performance and alignment with shareholder value creation drives all our remuneration activities, and supports the ownership mentality and spirit of entrepreneurship in our teams around the world. We believe in a level playing field for our people. As much as possible, the structure of our pay is similar, regardless of the seniority of the employee.

We endeavour at all times to balance the need to compete globally for the very best talent with the need to pay **fairly and responsibly**. We welcome the opportunity to discuss this policy and its outcomes with our stakeholders.



**Craig Enenstein**  
Chair: Human resources and remuneration committee

22 June 2018

## 1. Background statement: The Naspers approach to remuneration

### Our pay principles

Five principles guide our remuneration approach.

#### The Naspers approach to remuneration



**We believe in pay for performance; we are comfortable with bigger rewards for those that make the highest contribution**



**Remuneration must be aligned with shareholder outcomes**



**Remuneration must incentivise the achievement of strategic, operational and financial objectives, in both the short and long term**



**We are consistent; our reward package elements are broadly the same, regardless of seniority\***



**Our reward systems must help us attract and retain the best talent around the world in a fair and responsible way**

\* Some hourly-paid employees do not receive long-term incentives.

In practice, this means that we take into account sectoral, regional and local practices as well as the needs of the business and the calibre of the individual when implementing our pay framework.

The way we structure pay is purposely linked to our strategy and to the delivery of long-term sustainable growth to our shareholders.

Our pay principles are applied through three key elements and executive pay is heavily weighted towards long-term performance with a significant proportion delivered in share appreciation rights or share options, and with every award subject to individual performance.

Our approach to long-term incentives ensures that both the value of individual businesses and the overall performance of the group are considered. We are making significant progress following capital investment in several areas, and we believe that there is greater strength in being one large group, rather than a series of individual companies. The delivery of sustainable value to our shareholders will depend on the value of our business units which will ultimately be reflected in the value of the group as a whole over the longer term. Executives only receive payouts under our long-term incentive plans when the value of underlying assets or the Naspers share price increases.

When making executive-pay decisions, we consider the individual's performance and the performance of the business, the complexity of the responsibilities of the executive, and the growth trajectory and life cycle stage of the business for which he/she is responsible.

## Remuneration report for the year ended 31 March 2018

*continued*

### Our remuneration structure

We have outlined the three elements of pay for our executive directors below, and the approach is similar for the chief executive's direct reports. The same principles are applied to employees across the group.

Pay principle	Our pay design links to our pay principles				
	Pay for performance	Shareholder alignment	Incentivisation	Consistency	Attract and retain talent
(1) Base salary (or total cost to company (TCTC))	<ul style="list-style-type: none"> <li>Base salary = fixed pay, with the cost of employers' taxes and employee benefits in addition. Note: the fixed pay of employees in South Africa is quoted in terms of TCTC, which includes the cost of employers' taxes and employee benefits.</li> <li>Personal performance is the primary driver for pay increases.</li> <li>Set at a level to ensure we can <b>attract and retain</b> talent of the required calibre.</li> <li>Takes into account regional, local and sector practice as well as an <b>individual's contribution</b>.</li> </ul>	✓		✓	✓
(2) Short-term incentives (STIs): Annual performance-related incentive or short-term incentive	<ul style="list-style-type: none"> <li>We operate an annual incentive plan that pays out depending on performance achieved against <b>strategic, operational and financial objectives</b>.</li> <li>The purpose of the annual incentive plan is to ensure executive alignment with and focus on the annual board-approved business plan. We believe that the achievement of these annual plans will cumulatively drive long-term shareholder value.</li> <li>The same structure is applied throughout the organisation to ensure a <b>consistent approach</b> with measures linked to an individual's role so that pay is linked to their <b>contribution</b>.</li> </ul>	✓	✓	✓	✓
(3a) Long-term incentives (LTIs): Share appreciation rights (SARs)	<ul style="list-style-type: none"> <li>A <b>long-term incentive</b> that pays out based on the growth in value of the business units or an aggregation of underlying assets in a division (eg Ecommerce).</li> <li>Wherever possible, the long-term SAR incentives for executive directors are based on an aggregation of underlying assets so that any value upside delivered by individual businesses are offset by any value downside delivered by other businesses, thus ensuring that senior executives are negatively affected should individual businesses not perform<sup>(1)</sup>.</li> <li>Awards are made to individuals based on their contribution to the business.</li> <li>Any gains are settled in Naspers shares, which are acquired on the market for cash.</li> <li>The change in value is measured over a four- or five-year period to ensure focus on the <b>long-term delivery</b> of shareholder value.</li> </ul>	✓	✓	✓	✓
(3b) Long-term incentives (LTIs): Naspers share options (SOs)	<ul style="list-style-type: none"> <li>Long-term awards made in Naspers's SOs with payouts based on the growth in Naspers's share price over a four- or five-year period<sup>(2)</sup>.</li> <li>The vesting period has been determined taking into account practice in companies with which we compete for talent.</li> <li>Provides long-term alignment with Naspers's shareholders as value is only delivered to participants if there is an increase in the share price.</li> </ul>	✓	✓	✓	✓

The human resources and remuneration committee considers that the remuneration policy continues to achieve its objectives of aligning pay with long-term performance of Naspers and shareholder outcomes.

### Notes

<sup>(1)</sup> Some LTI schemes associated with underlying assets in which the group has a minority shareholding are not aggregated into the executive director schemes. There is no annual participant liquidity in these schemes. In some limited cases executive directors have received an award directly in those schemes to ensure that they are incentivised to deliver appropriate returns on invested capital in those businesses.

<sup>(2)</sup> All awards made from September 2017 onwards in Naspers SOs have a four-year-phased vesting period. Awards made prior to this time have a five-year vesting period with vesting at the end of years three, four, and five.

## Remuneration report for the year ended 31 March 2018

*continued*

### Remuneration focus areas and key decisions in 2017/18

The following table outlines the key areas of focus and key decisions taken by the human resources and remuneration committee during the 2017/18 financial year:

Meeting	Key areas of focus and decisions <sup>(i)</sup>
April 2017	<ul style="list-style-type: none"> <li>Approval of the directors' fees for the following financial year: For consideration by the board and subsequent shareholder approval.</li> <li>Approval of the annual performance incentive KPIs for senior executives for the forthcoming financial year.</li> </ul>
June 2017	<ul style="list-style-type: none"> <li>Performance and total compensation review of senior executives. Decision on previous-year performance and short-term incentive payout, salary increases and long-term incentive awards.</li> <li>Consideration and approval of the annual long-term share-based incentive scheme awards to be made to employees in the Naspers group and long-term share-based incentive scheme limits.</li> <li>Review of SAR scheme valuations completed by Deloitte (report of valuations subcommittee) (see page 79 for a detailed description of the valuations process for SAR schemes).</li> <li>Governance matters: Ethics performance, review of committee's effectiveness in terms of compliance with the committee's charters and review of committee's compliance with the committee charters of the major subsidiary companies.</li> <li>As part of the King IV™ implementation project: Review of committee charters and review of committee charters of the major subsidiary companies.</li> <li>Governance matters: Review of the remuneration policy.</li> <li>Review of policies required to be reviewed by this committee, including but not limited to, the remuneration policy and board diversity policy.</li> </ul>
August 2017	<ul style="list-style-type: none"> <li>Market practice update on governance and executive pay.</li> </ul>
November 2017	<ul style="list-style-type: none"> <li>Shareholder feedback from the remuneration report for the past financial year.</li> <li>Succession planning for senior executives.</li> </ul>
February 2018	<ul style="list-style-type: none"> <li>Consideration of recommendation on directors' fees from external advisors for budget purposes.</li> <li>Executive remuneration design considerations for the 2019 financial year.</li> </ul>

**Note**

<sup>(i)</sup> Ad hoc share-based incentive scheme governance matters are dealt with as and when they arise.

## Remuneration report for the year ended 31 March 2018

*continued*

### Business performance and remuneration outcomes in respect of 2017/18

<b>Our strategy</b>	<ul style="list-style-type: none"> <li>We build businesses with big potential that address societal needs</li> <li>Achieving leadership positions in high-growth markets</li> </ul>	<ul style="list-style-type: none"> <li>Partnering with local teams and entrepreneurs</li> </ul>	
<b>Our business priorities</b>	<ul style="list-style-type: none"> <li>Classifieds</li> <li>Video Entertainment</li> <li>Food Delivery</li> </ul>	<ul style="list-style-type: none"> <li>Fintech</li> <li>Travel</li> <li>B2C Ecommerce</li> </ul>	
<b>Our financial highlights</b>	<ul style="list-style-type: none"> <li>Revenue US\$20.1bn, up 38% (and 39% in local currency, excluding M&amp;A).</li> <li>Trading profit up 51% to US\$3.4bn (up 47% and 52% in local currency, excluding M&amp;A).</li> </ul>	<ul style="list-style-type: none"> <li>Core headline earnings, the board's measure of sustainable operating performance, was up 72% on last year at US\$2.5bn.</li> <li>Consolidated development spend down by 17% to US\$669m.</li> </ul>	
<b>Our operating highlights</b>	<ul style="list-style-type: none"> <li><b>Ecommerce financial performance</b> Revenue increased 25% (36%) year on year to US\$3.6bn with Classifieds, B2C (business-to-consumer), Payments and Food Delivery contributing meaningfully to the segment's 9% revenue-growth acceleration on the prior year.</li> <li><b>Classifieds</b> Excluding the investment to scale letgo, the Classifieds business turned profitable.</li> <li><b>B2C</b> eMAG Romania reached profitability.</li> <li><b>Payments</b> Reduced trading loss by 42% on the existing footprint and in local currency.</li> </ul>	<ul style="list-style-type: none"> <li><b>Food Delivery</b> Solidified food-delivery focus through investments in Delivery Hero and Swiggy.</li> <li><b>Travel</b> MakeMyTrip's revenue, in local currency and adjusted for the merger with ibibo last year, grew by 21% year on year to US\$222m on the back of healthy growth in its airline ticketing, and hotels and packages businesses.</li> <li><b>Video Entertainment</b> Revenue for the segment increased 8% (7%) to US\$3.7bn and trading profit rose 29% (24%) to US\$369m. Recorded a stable performance, adding just over 1m direct-to-home (DTH) subscribers and 520 000 digital terrestrial television (DTT) subscribers.</li> </ul>	
<b>Remuneration outcome</b>	<ul style="list-style-type: none"> <li>80% STI achievement (CEO).</li> <li>4% base salary/TCTC increase (CEO/CFO).</li> <li><b>LTI award CEO<sup>(2)</sup></b> Naspers N share options R70m. Naspers Global Ecommerce SARs US\$4.8m.</li> </ul>	<ul style="list-style-type: none"> <li>83% STI achievement (CFO)<sup>(1)</sup>.</li> <li><b>LTI award CFO<sup>(2)</sup></b> Naspers N share options R38m. Naspers Global Ecommerce SARs US\$2.5m.</li> <li>21% value appreciation Naspers Global Ecommerce Share Appreciation Rights Plan.</li> </ul>	

### Notes

<sup>(1)</sup> The normal bonus target is 50% of TCTC. This year there was an additional variable bonus capped at 25% of TCTC for obtaining new general funding.

<sup>(2)</sup> Fair value: this represents the value of the share option or share appreciation right on grant date.

# Remuneration report for the year ended 31 March 2018

*continued*

## Group financial performance<sup>(i)</sup>

Our principal operations are in internet services, where we have interests in listed assets, but predominantly focus on ecommerce (especially online classifieds, fintech, food delivery, business-to-consumer (B2C) ecommerce and new ventures including edtech), video entertainment and media. 79% (2017: 73%) of our revenue now comes from our internet and ecommerce activities, on an economic-interest basis. Consolidated revenue (excluding equity-accounted investments) increased 9% (15%), mainly due to strong performances by the ecommerce businesses that grew their consolidated revenues by 15% (32%). Performance highlights include:

- **Classifieds:** OLX continued to grow around the world and turned profitable in the year (excluding letgo).
- **Etail:** We achieved strong growth across all our etail businesses and eMAG's Romanian business became profitable. Post year-end we signed an agreement to sell our stake in Flipkart for US\$2.2bn, representing an IRR of 32%.
- **Travel:** MakeMyTrip strengthened its leadership in India.
- **Payments:** PayU enjoyed healthy growth, with TPV exceeding US\$25bn, and made key investments in Kreditech and Remitly.
- **Online food delivery:** We continued to invest in this promising sector, including a 22% stake in Swiggy and 23.75% stake in Delivery Hero.
- **Video Entertainment:** Subscribers increased by 1.5m year on year – we now have over 13m subscribers across Africa. Profitability grew 29%.
- **Media24** (excluding Novus) revenues were flat at US\$374m and the larger portion of Media24's investment in Novus was unbundled.
- **Other:** We continued to invest in key opportunities such as edtech.

Across our consumer internet businesses, we compete against both local and global 'tech titans'. Reaching scale consumer internet businesses relatively quickly, in terms of consumer numbers and markets served, is of paramount importance in this environment. It requires significant investment and often involves incurring losses in the early years. We make a deliberate choice to invest in these businesses, knowing that short-term profitability and free cash flow will be negative. As such the financial architecture is quite different to some of our older businesses such as video entertainment or print media. The diversity in our portfolio allows us to sustain this investment phase. Once scale is reached, profitability follows.

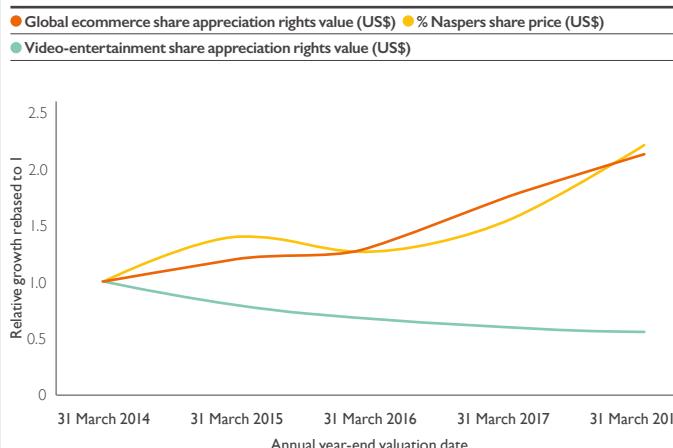
### Note

<sup>(i)</sup> Where relevant, we have adjusted amounts and percentages for the effects of foreign currency, as well as acquisitions and disposals. Such adjustments (pro forma information) are quoted in brackets after the equivalent metrics reported under IFRS.

## The impact of business performance on long-term incentives

The following graph shows how the valuation of some of our main long-term incentive (LTI) schemes has changed over time, reflecting business performance.

## Value progression of long-term incentive schemes over time (index linked)



More than 80% of the total compensation of the chief executive is delivered through long-term incentives. On page 78, we show all the LTI schemes from which awards have been made historically to the chief executive, CFO and CIO.

The Naspers global ecommerce schemes are designed to incentivise employees who render services across the internet segment. The global ecommerce scheme is effectively a sum-of-the-parts of the various underlying assets. In this way the participants are exposed to the portfolio of assets as a whole (upside and downside) as opposed to each individual asset in isolation. We believe this drives the right behaviour and ensures the focus is the success of the segment as a whole as opposed to an individual asset focus only.

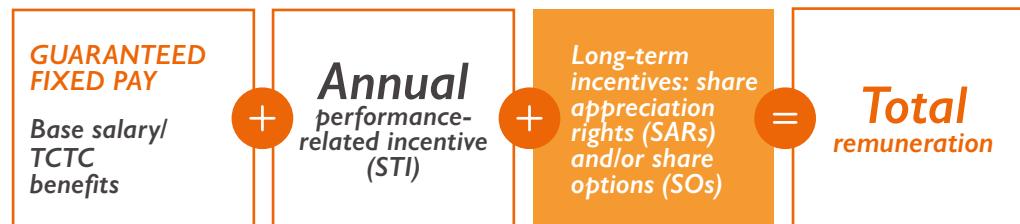
The performance of the scheme was relatively flat when many of our consumer internet businesses were in an investment phase. As more businesses reach profitability and scale, value increases and this is reflected in the scheme's performance post 2016.

The video-entertainment share appreciation rights scheme value reflects the results of both the MultiChoice South African and sub-Saharan African businesses. The decline in the value of this scheme is in line with short-term expectations and is mostly due to negative macroeconomic conditions in 2015 and 2016 with most currencies devaluing, GDP growth stalling, increased competition, and other factors affecting consumers. The sub-Saharan Africa business is currently implementing its turnaround value strategy that is seeing improved operational performance and subscriber growth. However, it will take time for the strategy to have a material positive impact on the financial results of this segment. The group remains committed to the strategy and in the medium term, the segment should see a positive return to growth.

## Remuneration report for the year ended 31 March 2018

continued

### Executive director remuneration in 2017/18



### Value released/vested in long-term incentive schemes in financial year 2017/18<sup>(2)</sup>

Element	Bob van Dijk (US\$'000)	Basil Sgourdos (US\$'000)	Mark Sorour <sup>(1)</sup> (US\$'000)
Naspers share options	14 467	933	1 807
Share appreciation rights	9 017	233	322

#### Notes

<sup>(1)</sup> Retired as an executive director on 31 March 2018. Mark remained on the board as a non-executive director.

<sup>(2)</sup> Fair value on date of grant.

### Total remuneration for executive directors for financial year 2017/18

Element	Bob van Dijk (US\$'000)		Basil Sgourdos (US\$'000)		Mark Sorour <sup>(1)</sup> (US\$'000)	
	FY17	FY18	FY17	FY18	FY17	FY18
Salary/Total cost to company	1 104	1 332	828	862	682	719
Pension	68	81	78	81	223	223
Benefits	57	65	27	27	10	10
Short-term incentives	973	1 064	443	605 <sup>(2)</sup>	1 718	1 904
Long-term incentive plan <sup>(3)</sup>	10 403	9 636	1 752	1 954	958	778
<b>Total single figure</b>	<b>12 605</b>	<b>12 178</b>	<b>3 128</b>	<b>3 529</b>	<b>2 633</b>	<b>3 634</b>

#### Notes

<sup>(1)</sup> Retired as an executive director on 31 March 2018. Mark remained on the board as a non-executive director.

<sup>(2)</sup> Includes an additional variable bonus capped at 25% of TCTC relating to obtaining new general funding.

<sup>(3)</sup> Fair value: represents the value of the option on grant date in accordance with IFRS.

# Remuneration report for the year ended 31 March 2018

*continued*

## Implementation of the policy in 2018/19

Below we show the remuneration package of the executive directors for financial year 2019 as approved by the human resources and remuneration committee in June 2018.

Fixed pay	Bob van Dijk (US\$'000)	Basil Sgourdos (US\$'000)
<b>Salary</b>	1 385 (4% increase)	–
<b>Total cost to company</b>	–	1 009 (4% increase)

## Design changes for financial year 2019

### Clawbacks

From financial year 2019, a two-year clawback provision on STI and LTI will be introduced for the chief executive and his direct reports.

### Chief executive LTI holding requirement

From financial year 2019, the chief executive will be required to maintain a Naspers shareholding of 10 times annual salary.

Further details can be found on page 90.

## Implementation of policy in 2018/19

### ✓ Short-term incentives (STI)

- Based on financial, operational and strategic performance targets which are tailored for each role
- Awards paid out in cash

#### Maximum opportunity

- 100% of salary for the chief executive
- 100%<sup>(1)</sup> of total cost to company for the CFO

#### Note

<sup>(1)</sup> An additional variable bonus, capped at 25% of total cost to company relating to obtaining new general funding, applies.

### ✓ Performance measures

	Bob van Dijk	Basil Sgourdos
<b>Financial</b>	50%	50% <sup>(1)</sup>
<b>Operational and strategic</b>	50%	50%

#### Note

<sup>(1)</sup> An additional variable bonus, capped at 25% of total cost to company relating to obtaining new general funding, applies.

### ✓ Long-term incentives (LTI) – share appreciation rights (SARs)

- Based on the total value of the discrete assets within the ecommerce scheme. Any upside in value created is offset by any downside in the value delivered by individual businesses
- Four- or five-year phased vesting

### ✓ Long-term incentives (LTI) – share options (SOs)

- Based on Naspers's total share price
- Four- or five-year phased vesting

\* Total cost to company is fixed pay comprising base salary and non-cash benefits.

## In conclusion

In the past year, acknowledging increased focus globally into remuneration practices and disclosures, we have actively listened to our shareholders' feedback on pay and, as a result of this, our focus as a committee will continue to be to ensure that there is a clear and demonstrable link between pay and performance.

We remain committed to maintaining an ongoing dialogue with our shareholders and welcome any feedback that they may have.

# Remuneration report for the year ended 31 March 2018

continued

## 2. Remuneration policy

In this section we present the remuneration policy for our executive directors and an overview of the groupwide remuneration policy.

During the 2017/18 financial year, we carried out a comprehensive shareholder consultation exercise to actively listen to our shareholders' views on remuneration.

One of the consistent themes raised by our shareholders related to the disclosure of senior executive remuneration and how this links to the strategy of the overall group. As a direct response to this, we have significantly increased our disclosure on remuneration.

Below is a summary of the disclosure changes we are implementing for our executive directors for the 2018/19 financial year, together with the associated rationale.

- A clearer link between strategy, business performance, remuneration design and remuneration outcomes.
- More information on the various elements of our compensation system and in particular how we manage and assess performance.
- Greater visibility on fixed pay, versus pay at risk.
- On our STI, more information on the annual performance goals for executive directors and their level of achievement.
- On our LTI:
  - greater clarity about the long-term incentive schemes executive directors participate in
  - more information on how we assess the valuation of our share appreciation rights schemes and on the governance of the LTI schemes, and introducing a view of an index-linked progression of the main long-term incentive schemes, over time.

### Our remuneration principles

The group has an integrated and balanced approach to its reward strategy that aligns all stakeholder interests, both internal and external. Accordingly, individual reward components are linked to business-specific value drivers of the group. When considering our approach to pay, our overarching principles are as follows:

#### The Naspers approach to remuneration



**We believe in pay for performance; we are comfortable with bigger rewards for those that make the highest contribution**



**Remuneration must be aligned with shareholder outcomes**



**Remuneration must incentivise the achievement of strategic, operational and financial objectives, in both the short and long term**



**We are consistent; our reward package elements are broadly the same\***



**Our reward systems must help us attract and retain the best talent around the world in a fair and responsible way**

\* Some hourly-paid employees do not receive LTIs.

There are many business units within the Naspers group which are at different levels of maturity. Individual business units are therefore responsible for developing their own policies within the overall group remuneration framework according to the principles set out above as well as local laws, taking account of regional, local and sector practice.

The remuneration package of our executive directors is designed to be principally focused on long-term remuneration which only pays out subject to value being delivered in both the underlying business units and the group as a whole. For example, for the 2017/18 financial year 80% of the chief executive's remuneration was delivered in share options or share appreciation rights. Over time, incentives only deliver value to the chief executive when the value to the shareholder also increases.

### Our remuneration and employment policies

#### Recruitment policy

On the appointment of a new executive director, their package will typically be in line with the policy as outlined above. To facilitate recruitment, it may be necessary to 'buy out' remuneration forfeited on joining the company. This will be considered on a case-by-case basis and may comprise cash or share options/share appreciation rights.

#### Termination policy

Payments in lieu of notice may be made to executive directors comprised of salary or total cost to company (South African employees) for the unexpired portion of the notice period. Such payments may be phased. On cessation, there is no automatic entitlement to an annual performance-related incentive (bonus), however the committee retains the discretion to award a bonus to a leaver during the financial year taking into account the circumstances of their departure. There is no entitlement to a particular severance package provided for in the service contract of executive director or senior managers.

#### Service contracts

Executive directors' service contracts comply with terms and conditions of employment in the local jurisdiction. Details of the date of appointment and relevant employer notice period are set out in the following table:

	Bob van Dijk	Basil Sgourds	Mark Sorour <sup>(1)</sup>
Date of appointment	1 August 2013	1 August 1995	1 October 2002
Notice period	Six months	Three months	Three months

**Note**

<sup>(1)</sup> Retired as an executive director on 31 March 2018. Mark remained on the board as a non-executive director.

### Ensuring a fair and responsible approach to pay

To ensure a fair and reasonable approach to the remuneration of executive directors in the context of the wider group, in practice the committee takes the same approach as for the wider workforce.

A number of factors are taken into account including:

- Individual performance.
- The approach to pay throughout the organisation.
- Company affordability and trading environment, including return on invested capital.
- The total remuneration pay mix for each individual.
- The relative contribution of the job to the overall business success.

Market pay benchmarking is considered an additional reference point. Individual performance is the primary determining factor in whether to grant a pay increase. Pay increases are not granted in the absence of a satisfactory level of performance. Similarly, the operational performance of the business and its ability to pay are naturally considered when the quantum of any increase is considered.

### Our remuneration structure

We have outlined the three elements of pay for our executive directors below, and the approach is similar for the chief executive's direct reports. The same principles are applied to employees across the group, where appropriate.

#### Fixed pay

##### Base salary/TCTC

• Base salary is the fixed pay that an employee receives and reflects the performance and contribution of the individual and market value of the role. The cost of employee benefits and employers' taxes is in addition. People are employed in South Africa on a TCTC basis, and the cost of benefits and employers' tax is included in this figure.

• Salary is paid monthly in cash.

• Benefits provided include a mix of cash and non-cash benefits, including pension, medical and other optional benefits.

• Fixed pay is reviewed annually and any increases are typically effective from 1 April each year.

• A number of factors are taken into account during the review process including personal performance, the scope and nature of the role, relevant companies in the technology sector and local economic indicators such as inflation, cost-of-living changes and the relevant labour market, to ensure remuneration is fair, sensible and market competitive.

#### Variable pay

##### Annual performance-related incentive

• Participants are eligible to receive awards under the discretionary annual performance-related incentive scheme to incentivise and recognise the achievement of group financial and operational objectives and personal performance.

• The purpose of the annual incentive plan is to ensure executive alignment with and focus on the annual

## Remuneration report for the year ended 31 March 2018

continued

board-approved business plan. The achievement of these annual plans will cumulatively drive long-term shareholder value.

- The performance measures for each executive director are tailored to their roles and responsibilities. Further information is provided in the implementation report each year.
- For the group chief executive and group CFO, at least 50% of maximum bonus opportunity is based on financial measures, including and excluding Tencent (in the case of the CEO).
- For the group CIO (retired 31 March 2018), given the nature of this deal-based role, more emphasis was placed on the operational and strategic objectives and hence a smaller weighting (30%) was based on group financial performance.

- The annual bonus opportunity for each executive is agreed annually in advance of the financial year, and any payout is based on targets that are verifiable and aligned to the business plan, risk management policy and strategy. The target and maximum annual bonus opportunity levels are the same for the executive directors (ie there is no possibility to over-perform against the target) and are set at:

- group chief executive: 100% of base salary
- group CFO: 50% of total cost to company (plus an additional variable bonus capped at 25% of total cost to company relating to obtaining new general funding, in financial years where such funding is obtained). In FY19, the maximum for the CFO has been moved to 100%, in line with market benchmarks, in addition, as with FY18, a variable bonus capped at 25% of total cost to company relating to obtaining new general funding applies, and
- group CIO: 200% of total cost to company.
- All payouts are made wholly in cash.
- Further information on the targets and payouts are provided each year in the implementation report.

The committee may apply judgement and shall have discretion to make appropriate adjustments to an individual's annual bonus to ensure it reflects the underlying financial performance of the group.

**Target setting:** When determining the targets used for our annual performance incentive plan, we take into account a number of reference points including the group internal board-approved business plan and historic performance. The committee undertakes a thorough assessment to ensure that targets are sufficiently stretched in the context of potential remuneration delivered.

The performance of executives and employees against their annual performance incentive objectives (STI) has significant influence on the decision to award long-term incentives. Any share options or share appreciation rights that are awarded will only deliver value to the participant if business performance drives an increase in the value of the asset.

There are therefore three personal performance requirements associated with a stock option or share appreciation right:

- Strong short-term (annual) performance leading to a decision to grant a long-term incentive.
- Ongoing employment which permits the incentive to vest over four to five years.
- Superior performance over time, leading to value creation in the scheme and for the shareholder.

**Note:** Performance measures and weightings are dealt with in more detail in the implementation report. See pages 81 to 91.

### Long-term incentives (LTIs)

- LTI awards comprise a significant portion of total compensation and are designed to incentivise the delivery of sustainable long-term growth and provide alignment with our shareholders.
- Awards are normally granted annually to the executive directors under two types of LTI schemes:
  - share appreciation rights (SARs), and
  - share options (SOs).
- Detailed scheme rules documents provide for the operation and governance of each scheme.

### Share appreciation rights (SARs)

- Awards to executive directors are typically made in the Naspers Global Ecommerce SAR Plan, which takes into account the performance of a number of internet businesses. In this way any non-performing business will balance the value created by others, thus ensuring any gain by the executive directors adequately reflects total return on invested capital. Many of the segment chief executives who report to the group chief executive are similarly incentivised in schemes that consider the sum of the value of all of the businesses for which they are responsible.<sup>(1)</sup>
- SARs deliver value based on the growth in the valuation of a group of businesses over a specified time period with vesting typically over a four- to five-year time period with a term of typically 10 years.
- Any value delivered is based on the change in total value of the business or group of businesses. This means that the sum of all decreases/increases in value is calculated to determine the final value.
- Any payouts are made in an equivalent value of Naspers shares. Naspers shares are bought on the open market and shareholders are not diluted to settle employee SAR gains.

**Note:** Performance measures and weightings are dealt with in more detail in the implementation report. See pages 81 to 91.

### Share options (SOs)

- Awards are made based on the share price on the date of the grant.
- SOs deliver value based on the growth in the share price over a specified time period with vesting typically over a four-year period, with 25% vesting each year and a term of 10 years.
- Value is only delivered if there has been an increase in the share price following the date of grant.
- Once an award vests, participants can then buy company shares at the predetermined strike price and will gain value from any increase in the price.

Note that restricted stock units (RSUs) are not available to the chief executive, CFO, CIO or any direct reports of the chief executive, or other senior executives across the group. The Naspers restricted stock programme is specifically tailored to engineering, specialist and technical talent. The inclusion of RSUs in our remuneration framework ensures that we are attracting and retaining critical technical and specialist talent, such as software engineers and those with specialist skills such as artificial intelligence, machine learning, content rights, product design etc, within highly competitive markets. During FY18 the group purchased on market 42 969 (2017: 57 445) Naspers N ordinary shares at average market prices ranging between R2 650.54 and R3 728 per share in respect of grants awarded in the Naspers RSU trust. In total 197 132 Naspers N ordinary shares have been purchased on market for this purpose.

#### Note

- <sup>(1)</sup> Some LTI schemes associated with underlying assets in which the group has a minority shareholding are not aggregated into the executive director schemes, as valuation is dependent on the occurrence of a corporate transaction versus an annual valuation. There is no annual participant liquidity in these schemes. In such limited cases executive directors have received an award directly in those schemes to ensure that they are incentivised to deliver appropriate returns on invested capital in those businesses.

### Outline of LTI plans in operation

	Share appreciation rights (SARs)	Share options (SOs)	Restricted stock units (RSUs)
	A right to benefit from any increase in value of the business unit over which an award is made	A right to buy a Naspers share at a preagreed price	An award of Naspers shares that is transferred to participants after time restrictions have passed
Total value of the business	Total share price	Total share price	
<b>Value delivered to participant</b> Change in value of business unit between grant and vest	<b>Value delivered to participant</b> Change in share price between grant and vest	<b>Value delivered to participant</b> Full value delivered to the participant	
<ul style="list-style-type: none"> <li>If there is no change or a decrease in value, there is no gain for the participant.</li> <li>Gains are settled in Naspers shares</li> </ul>	<ul style="list-style-type: none"> <li>If there is no change or a decrease in value, there is no gain for the participant.</li> <li>When the option is exercised the participant becomes a shareholder</li> </ul>	<ul style="list-style-type: none"> <li>Naspers shares are delivered on vesting</li> </ul>	
Granted to executive directors	✓	✓	
Granted to the wider employee population	✓	✓	✓ *

\* Specifically targeted talent, to attract and retain scarce resource at a junior to mid level in their career.

## Remuneration report for the year ended 31 March 2018

*continued*

### Executive director participation in share schemes

The table below sets out details of LTI plans in which the executive directors are currently participate. Since September 2016, awards to the chief executive and CFO have been made in the Naspers Global Ecommerce Share Appreciation Rights Plan and the Naspers Share Option Plan only.

Type of plan	Entity	Details	Name of plan	Comments	Executive director participating
Share options	Naspers group N ordinary shares	4-year phased vesting, 10-year term	MIH Services FZ LLC Share Trust <sup>(i)</sup>	Vesting schedule amendment approved in 2017	Bob van Dijk Basil Sgourdos
Share options	Naspers group N ordinary shares	5-year vesting, phased vesting in years 3, 4, 5. 10-year term	MIH Services FZ LLC Share Trust <sup>(i)</sup>	Legacy Naspers Share Option Plan for non-South African residents	Bob van Dijk Basil Sgourdos
Share options	Naspers group N ordinary shares	4-year phased vesting, 10-year term	MIH Holdings Share Trust	Vesting schedule amendment approved in 2017	Mark Sorour
Share options	Naspers group N ordinary shares	5-year vesting, phased vesting in years 3, 4, 5. 10-year term	MIH Holdings Share Trust	Legacy Naspers Share Option Plan for South African residents	Mark Sorour
Share appreciation rights	Naspers Ecommerce	5-year phased vesting, 10-year term	Naspers Global Ecommerce SAR Plan	Reflects main internet companies in the group	Bob van Dijk Basil Sgourdos Mark Sorour
Share appreciation rights	Showmax	5-year phased vesting, 10-year term	Showmax SAR Plan	Last granted in September 2015	Basil Sgourdos Mark Sorour
Share appreciation rights	Flipkart	5-year phased vesting, 10-year term	Flipkart SAR Plan	Last granted in August 2016	Bob van Dijk Mark Sorour
Share appreciation rights	SimilarWeb	5-year phased vesting, 10-year term	SimilarWeb SAR Plan	Last granted in September 2016	Bob van Dijk Mark Sorour
Share appreciation rights	Takealot	5-year phased vesting, 10-year term	Takealot SAR Plan	Last granted in August 2016	Mark Sorour
Share appreciation rights	MIH China/MIH TC (Tencent)	5-year phased vesting, 10-year term	MIH China/MIH TC 2008 SAR Plan	Last granted in January 2014	Mark Sorour

**Note**

<sup>(i)</sup> The MIH Mauritius N ordinary share option scheme covering the Naspers group was redomiciled to United Arab Emirates and as a result the name was changed. Refer to Annexure A: Details of executive director participation in share schemes.

# Remuneration report for the year ended 31 March 2018

*continued*

## Valuing long-term incentives

We operate SO and SARs plans that are associated with businesses not publicly listed. We must therefore perform an annual valuation on these assets, which ensures we maintain ongoing alignment between value creation for shareholders and management and employee remuneration outcomes.

For executives who are responsible for a number of businesses, it is important to incentivise them on the overall performance of the assets for which they are responsible, ensuring that they are not incorrectly rewarded for success in one part of their portfolio if value is not being created in another. We therefore created several 'umbrella' (or sum-of-the-parts) schemes encompassing several assets in which the most senior executives participate. Examples include the Naspers Global Ecommerce SAR scheme, the Naspers Global Classifieds SAR scheme and the Naspers Fintech SAR scheme.

Some LTI schemes associated with underlying assets in which the group has a minority shareholding have not been aggregated into the umbrella schemes, as the valuation of these schemes is dependent on the occurrence of a corporate transaction versus the annual valuation as performed for the umbrella schemes. There is also no liquidity for participants in these schemes until the occurrence of a liquidity event (and the awards have vested) versus regular liquidity in the umbrella schemes (once the awards have vested). In such limited cases senior executives have received an award directly in those schemes to ensure that they are incentivised to deliver appropriate returns on invested capital in those businesses. No awards

have been made to executive directors in such schemes since September 2016.

The chief executive, CFO and CIO participate in the Naspers Global Ecommerce SAR scheme which is a sum-of-the-parts scheme consisting of the main entities in ecommerce. The valuation process is illustrated below and it is indicative of the process for all other schemes. The underlying assets included in the scheme are valued in accordance with their relevant rules and the valuations and governance processes are shown below.

## Scheme limits

We place limits on how much of the cap table is available for employee compensation. In general, no more than 15% of the capitalisation (cap) table can be used for employee compensation. Depending on the life stage of the business, the scheme limit can be lower.

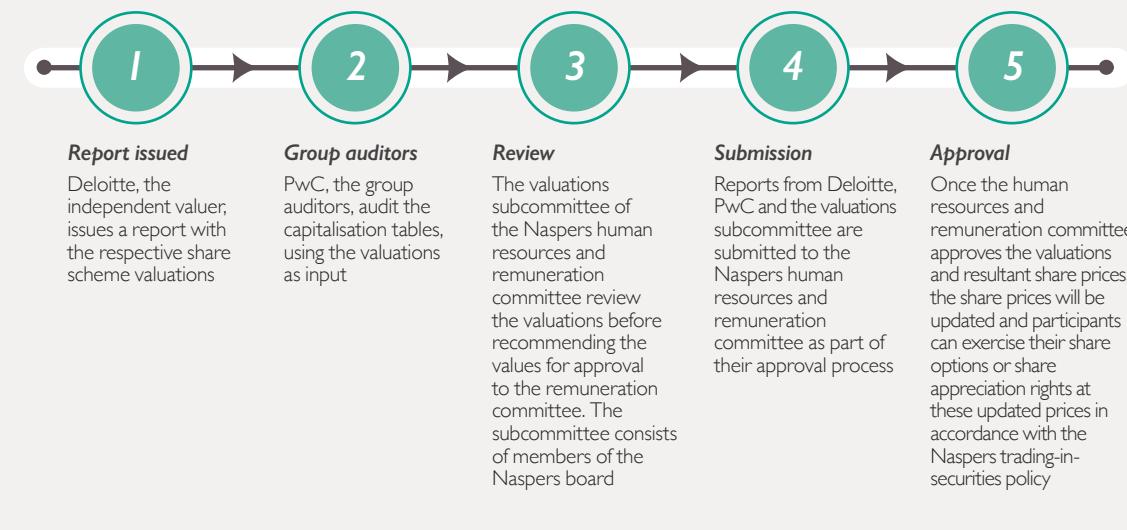
When the business takes funding from Naspers, the scheme gets diluted as additional shares are issued.

## Valuations process



*Segment schemes and the ecommerce schemes are a 'basket of assets' representing the valuations of the underlying operations*

## Governance



# Remuneration report for the year ended 31 March 2018

*continued*

## Performance management at Naspers

Pay for performance is one of the pillars of our reward philosophy. Personal performance (including the financial results of the business) is the determining factor in whether an individual receives a base salary or TCTC increase, an annual performance-related incentive payout and/or a LTI in the form of SOs or SARs.

Our executives are eligible to participate in a performance-related STI programme. This is an annual programme in which participants may receive annual performance-related incentive payments if they achieve certain preapproved business and personal goals. Similarly, mostly annual, STI programmes are operated across the group.

Performance goals are directly aligned with the approved business plans. In the case of the chief executive, his annual performance-related incentive goals are exactly as per the Naspers board-approved annual business plan. The annual goals of functional and business segment leaders reporting to the chief executive will similarly be based on financial and personal objectives, tailored to their specific areas of responsibility and impact.

Personal goals are arrived at as an outcome of the annual business planning process. As budgets and operating plans are designed prior to the end of the financial year, so too are the personal performance goals at an individual level. These goals, if achieved, drive the accomplishment of the financial and operating plan of the business and how it is delivered.

Managers engage in continuous conversations with their people throughout the financial year to ensure that their plans are on track. At the end of the financial year both the overall performance of the business, and the individual's achievement of their personal goals are considered and this may translate into the payment of an annual performance-related incentive.

While we do not force-rank performance scores, we do expect that any performance-related incentive payments reflect the overall performance of the business where appropriate. Individuals who have performed well against their performance-related incentive goals, are eligible to be considered for a LTI grant and a pay increase. Only strong performers are considered for LTI awards.

## Non-executive directors' remuneration policy

The fee structure for non-executive directors has been designed to ensure we attract, retain and appropriately compensate a diverse and internationally experienced board of non-executive directors, given the highly competitive markets in which we operate in, and the global competition we face.

Non-executive directors receive an annual fee as opposed to a fee per meeting, which recognises their ongoing responsibility for effective control of the company. They may also receive an additional fee for group board committees and subsidiary boards, to reflect the additional responsibilities and associated time commitment. 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.

The remuneration of non-executive directors is determined following a benchmarking exercise which considers not only JSE-listed companies, but, given the relative size, scale and complexity of the group's activities, also considers international comparators in the media, video-entertainment and consumer internet sectors.

## 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 candidates for consideration by the board. A fit-andproper 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.

For the full remuneration policy, go to [www.naspers.com](http://www.naspers.com).

## Remuneration report for the year ended 31 March 2018

*continued*

### 3. Implementation of remuneration policy

In this section we outline how our remuneration policy for executive directors has been implemented during this financial year and how we intend to operate it during the next financial year. All decisions in relation to executive remuneration have been made in line with our remuneration policy for this financial year.

#### Executive directors' total remuneration for the financial year to 31 March 2018

		Guaranteed fixed pay (US\$'000) <sup>(1)</sup>	Actual annual bonus (US\$'000) <sup>(2)</sup>	Total (US\$'000)	Fair value LTI awarded (US\$'000) <sup>(3)</sup>
Bob van Dijk	2018	1 332	1 064	2 396	9 636
	2017	1 104	973	2 077	10 403
Basil Sgourdos	2018	862	605	1 467	1 954
	2017	828	443	1 271	1 752
Mark Sorour <sup>(4)</sup>	2018	719	1 904	2 623	778
	2017	682	1 718	2 400	958

**Notes**

<sup>(1)</sup> Guaranteed fixed pay for 2018 comprises base salary levels of US\$1 332 000 for Bob van Dijk with the remainder attributing to pension and other benefits, eg medical insurance. For Basil Sgourdos and Mark Sorour this comprises total TCTC of US\$970 000 and US\$952 000 respectively, which incorporates base salary and any benefits.

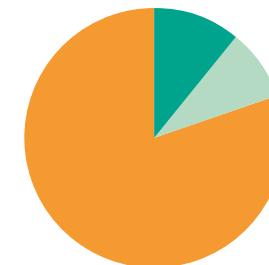
<sup>(2)</sup> Annual bonus levels paid out in respect of each financial year.

<sup>(3)</sup> The fair value of LTIs awarded during each financial year. Details of the separate awards can be found in the shareholding table on page 83.

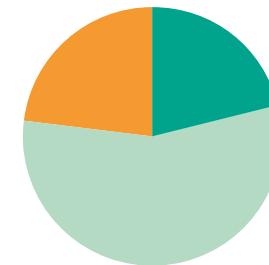
<sup>(4)</sup> Retired as an executive director on 31 March 2018. Mark remained on the board as a non-executive director and remains on the Mail.ru Group board. To provide management with the option of obtaining his advice on critical transactions, a consultancy contract was concluded with Mark.

Below we show the relative weightings of each type of compensation: Base salary/TCTC, STI and LTIs for each executive as at 31 March 2018.

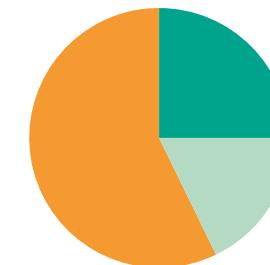
BOB VAN DIJK



MARK SOROUR



BASIL SGOURDOS



	%
ANNUAL FIXED PAY	11.07
ANNUAL STI (TARGET)	8.84
ANNUAL FAIR-VALUE LTI	80.08

	%
ANNUAL FIXED PAY	25.19
ANNUAL STI (TARGET)	17.68
ANNUAL FAIR-VALUE LTI	57.11

	%
ANNUAL FIXED PAY	21.14
ANNUAL STI (TARGET)	55.98
ANNUAL FAIR-VALUE LTI	22.87

## Remuneration report for the year ended 31 March 2018

*continued*

### Guaranteed fixed pay (TCTC)

During the year, levels of base salary and TCTC (where relevant) continued to vary across the jurisdictions where we operate. In determining any increases for executive directors we considered personal performance, business performance and local economic indicators, overall movement in the local (and, where appropriate, regional and global) labour market, and levels observed across the wider workforce. During the year, group companies made contributions for executive directors to the appropriate pension schemes. These contributions are in line with market norms and constitute a modest proportion of the individuals' total remuneration.

### Annual incentive payout in respect of the 2017/18 financial year

During the financial year, the bonus awards were subject to a combination of financial, operational and strategic performance measures. The target and maximum achievement levels are one and the same (ie there is no opportunity to overachieve on bonus payout) and were:

Bob van Dijk: 100% of base salary

Basil Sgourdos: 50% of TCTC (plus an additional variable bonus capped at 25% of TCTC relating to obtaining new general funding; in financial years where such funding is obtained)

Mark Sorour: 200% of TCTC

The weightings of each performance measure varied for each executive director, subject to their key priorities during the year.

### Annual performance incentive: Achievement against financial goals

In the following tables we outline the actual outcomes for each financial performance measure relative to the target set at the beginning of the financial year, together with the resulting payout.

Financial measure	Actual	Bonus impact	Bonus target			Bonus achieved		
			Bob van Dijk % of base salary	Basil Sgourdos % TCTC	Mark Sorour % of base salary	Bob van Dijk % TCTC	Basil Sgourdos % TCTC	Mark Sorour % TCTC
Revenue	US\$20.1bn	Achieved	10	—	—	10	—	—
Free cash outflow	US\$242m	Achieved	10	25	25	10	25	25
Core headline earnings	US\$2 507m	Achieved	15	25	25	15	25	25
Core headline earnings (excluding Tencent)	(US\$781m)	Achieved	15	—	—	15	—	—

In addition to the above, each executive director was also subject to strategic and operational performance measures.

### Strategic and operational performance measures for Bob van Dijk (chief executive)

Bob van Dijk accounted for 50% of his total bonus opportunity. These related to classifieds, payments, food delivery, travel, B2C ecommerce and video entertainment. Financial measurements included topline growth (eg gross merchandise volume (GMV)), revenue growth, trading profit growth (or trading loss reduction). Operational measurements included growth in the number of customers, relative competitive position and new product and/or new market development.

### Strategic and operational performance measures for Basil Sgourdos (CFO)

Basil Sgourdos accounted for 50% of his total bonus opportunity and related to the management of the finance function, with an emphasis on tax, treasury, investor relations, governance and control, and finance talent.

**Mark Sorour – annual performance incentive:** The short-term incentive for Mark Sorour was based on group financial goals (as per those for the chief executive and CFO) with a weighting of 30%. 70% of the short-term incentive for the chief investment officer relates to M&A deals. The nature of these goals is naturally confidential but the typical incentives relate to the price and mechanics of the deal.

**Outcomes:** The outcomes above resulted in annual bonus payout levels of 80% base salary for Bob van Dijk and 62% and 200% of TCTC for Basil Sgourdos and Mark Sorour respectively.

### Long-term incentives costs

As a committee, we have endeavoured to be more transparent on the disclosure of the awards made, and those outstanding under our long-term incentive scheme.

Share-based compensation incentives across the group account for 8.7% of total staff costs, and 1.8% of overall group costs, for example the cost of providing services and sale of goods; selling, general and administration expenses. Further details can be found on pages 140 to 151 of the full annual financial statements on [www.naspers.com](http://www.naspers.com).

Given the nature of our businesses, we operate a number of incentive plans for our executive directors to ensure they are incentivised across the whole portfolio. A full statement of the holdings of the executive directors can be found on pages 88, 90 and 91.

## Remuneration report for the year ended 31 March 2018

*continued*

### Plan participation

Schemes in which executive directors were awarded LTIs in FY18:

	Active LTI plans	Entity	Details	Award made to
SARs	Naspers Global Ecommerce	Naspers	5-year annual phased vesting	Bob van Dijk Basil Sgourdos Mark Sorour
			Valuation based on the underlying assets	
SOs	Naspers N ordinary shares		4-year phased vesting	Bob van Dijk Basil Sgourdos Mark Sorour

Details of the group's share-based incentive schemes are disclosed in note 43 on pages 140 to 142 of the annual financial statements on [www.naspers.com](http://www.naspers.com).

### Value of historical long-term incentive grants to executive directors

Due to the pace of change in our industry and the evolution of key priorities each year, the award levels for each executive director vary from year to year. To reflect this, we have provided a summary below of the awards made to each executive director over the past three years.

	Bob van Dijk (US\$'000)		Basil Sgourdos (US\$'000)		Mark Sorour (US\$'000)	
	Face value <sup>(i)</sup>	Fair value <sup>(i)</sup>	Face value <sup>(i)</sup>	Fair value <sup>(i)</sup>	Face value <sup>(i)</sup>	Fair value <sup>(i)</sup>
FY16	0 (0% Naspers shares, 0% SARs)	0	2 053 (51% Naspers shares, 49% SARs)	848	3 074 (51% Naspers shares, 49% SARs)	1 308
FY17	21 630 (100% Naspers shares)	10 403	4 970 (33% Naspers shares, 67% SARs)	1 752	2 473 (53% Naspers shares, 47% SARs)	958
FY18	36 290 (32% Naspers shares, 68% SARs)	9 636	7 634 (17% Naspers shares, 83% SARs)	1 954	2 494 (100% Naspers shares)	778

**Note**

<sup>(i)</sup> Grant date face value/fair value for awards.

As per King IV™ guidelines, we set out the fair value for all awards made in the year and all of those awards that are outstanding.

## Remuneration report for the year ended 31 March 2018

*continued*

### Awards released during the period 1 April 2017 to 31 March 2018

During the year a number of share options and share appreciation rights were released (vested) to executive directors and these are outlined in the adjacent table.

	Naspers N options					Share appreciation rights				
	Number of options	Release value at release date (R)	Face value at grant date (R)	Fair value at grant date (R)	Scheme name	Number of share appreciation rights	Release value	Face value	Fair value	
Bob van Dijk	277 333	813 120 943	319 735 321	151 090 876	Flipkart SAR Plan	73 170	US\$4 656 539	US\$4 656 539	US\$1 685 025	
	6 698	17 314 330	5 143 348	2 126 188	SimilarWeb SAR Plan	39 937	US\$225 644	US\$57 909	US\$19 188	
					Naspers Global Ecommerce SAR Plan	1 493 226	US\$41 287 699	US\$23 264 461	US\$7 312 840	
Basil Sgourdos	11 124	28 940 310	4 835 861	1 869 837	Naspers Global Ecommerce SAR Plan	9 682	US\$267 707	US\$179 988	US\$53 810	
	7 469	21 625 593	10 297 310	4 441 337	Naspers Global Ecommerce SAR Plan	32 599	US\$896 798	US\$666 650	US\$170 017	
	9 120	23 575 200	7 003 186	2 895 019	Showmax SAR Plan	1 111	US\$19 998	US\$19 998	US\$9 621	
Mark Sorour <sup>(i)</sup>	10 000	29 319 300	11 528 933	5 280 064	MIH China/MIH TC 2008 SAR Plan	8 000	US\$1 447 280	US\$343 590	US\$89 413	
	9 337	27 034 163	12 872 672	5 307 703	Flipkart SAR Plan	617	US\$39 266	US\$39 266	US\$14 209	
	13 680	35 362 800	10 504 780	4 203 648	Flipkart SAR Plan	942	US\$59 949	US\$59 949	US\$20 704	
	18 539	48 231 248	8 059 335	3 206 296	Flipkart SAR Plan	841	US\$53 521	US\$53 521	US\$12 834	
	13 680	35 362 800	10 504 780	4 203 648	SimilarWeb SAR Plan	344	US\$1 944	US\$499	US\$165	
	18 539	48 231 248	8 059 335	3 206 296	SimilarWeb SAR Plan	1 497	US\$8 458	US\$10 000	US\$3 927	
					Naspers Global Ecommerce SAR Plan	13 493	US\$373 081	US\$210 221	US\$66 080	
					Naspers Global Ecommerce SAR Plan	8 606	US\$237 956	US\$159 985	US\$47 830	
					Naspers Global Ecommerce SAR Plan	6 985	US\$192 157	US\$142 843	US\$36 430	
					Takealot SAR Plan	1 094	R97 847	R121 478	R52 179	
					Takealot SAR Plan	925	R82 732	R121 129	R38 779	
					Showmax SAR Plan	2 222	US\$39 996	US\$39 996	US\$19 242	

**Note**

<sup>(i)</sup> Retired as an executive director on 31 March 2018. Mark remained on the board as a non-executive director.

## Remuneration report for the year ended 31 March 2018

*continued*

Awards made during the period 1 April 2017 to 31 March 2018

	Naspers N share options			Share appreciation rights			
	Number of options	Face value <sup>(1)</sup> (R)	Fair value (R)	Scheme name	Number of share appreciation rights	Face value (US\$)	Fair value (US\$)
Bob van Dijk	51 728	148 031 569	44 959 480	Naspers Global Ecommerce SAR Plan	733 945	20 000 001	4 980 814
				Naspers Global Ecommerce SAR Plan	175 259	4 837 148	1 176 485
Basil Sgourdos	5 776	16 529 352	5 020 220	Naspers Global Ecommerce SAR Plan	126 766	3 454 374	860 281
				Naspers Global Ecommerce SAR Plan	105 088	2 900 429	705 439
Mark Sorour <sup>(2)</sup>	11 049	32 549 139	10 151 905				

Notes

<sup>(1)</sup> Grant date face/fair value for awards.

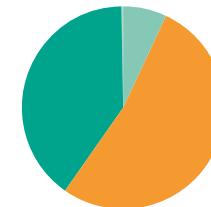
<sup>(2)</sup> Retired as an executive director on 31 March 2018. Mark remained on the board as a non-executive director.

Executive directors' relative shareholding by scheme (fair value)

Value of unvested equity grants by scheme after FY18 grant

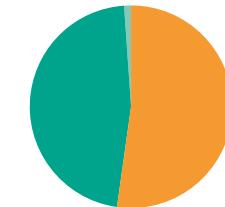
BOB VAN DIJK

Unvested equity mix after FY18 grant (fair value)



BASIL SGOURDOS

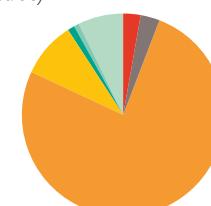
Unvested equity mix after FY18 grant (fair value)



	%
● FLIPKART SAR PLAN	7
● MIH SERVICES FZ LLC (Naspers shares)	53
● NASPERS GLOBAL ECOMMERCE SAR PLAN	40
● SHOWMAX SAR PLAN	0.1

MARK SOROUR

Unvested equity mix after FY18 grant (fair value)



	%
● FLIPKART SAR PLAN	3
● MIH CHINA/MIH TC 2008 SAR PLAN	3
● MIH HOLDINGS SHARE TRUST (Naspers shares)	76
● NASPERS GLOBAL ECOMMERCE SAR PLAN	9
● SHOWMAX SAR PLAN	1
● SIMILARWEB SAR PLAN	1
● TAKEALOT SAR PLAN	7

Mark Sorour has not received a grant in the underlying schemes since August 2017.

## Remuneration report for the year ended 31 March 2018

*continued*

### Gains made on any options or SARs exercised during the period 1 April 2017 to 31 March 2018

	Naspers – N share options					Share appreciation rights				
	Date exercised	Number of options	Strike price	Exercise price	Gross gain	Date exercised	Scheme	Strike price	Exercise price	
Bob van Dijk	–	–	–	–	–	–	–	–	–	
Basil Sgourdos	–	–	–	–	–	–	–	–	–	
Mark Sorour	03/07/2017	I3 680	R770.00	R2 600.00 to R2 601.61	R35 575 I36					
	19/07/2017 <sup>(i)</sup>	5 833		R2 768.27 to R2 775.01	RI6 I78 III	19/07/2017 <sup>(i)</sup>	MIH China/MIH TC 2008 SAR Plan	US\$42.95	US\$116.29	

### Dilutive impact of group share-based incentive schemes

**From 1 April 2018, the group will purchase Naspers shares on the JSE for the purpose of issuing new Naspers share options to employees and settling gains made on all 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](http://www.naspers.com). At 31 March 2018 the group held 3 097 876 (2017: 3 293 211) 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 8 US cents per N ordinary share (2017: 2 US cent). In accordance with schedule 14 of the JSE 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 2018, 390 806 new N ordinary shares had been so issued, resulting in a total of 30.10% of the approved 40 588 541 Naspers N ordinary share capital being used to date.

#### Non-executive directors' fees

The committee is informed by the external market when reviewing the fee structure and levels for our non-executive directors. This includes market fee levels for Naspers's industry peers internationally, such as competitors in the same industry and of similar scale and those fee levels observed in the Top 10 JSE companies.

The current non-executive director fee structure and levels, which reflect a 5% year-on-year increase, were approved by shareholders at the annual general meeting in August 2017.

			31 March 2018	31 March 2019
<b>Board</b>				
Chair			US\$452 000	US\$474 600
Member			US\$180 800	US\$189 840
Daily fees when travelling to and attending meetings outside home country			US\$3 500	US\$3 500
<b>Committees</b>				
<b>Audit committee</b>		Chair	US\$111 350	US\$116 925
		Member	US\$44 540	US\$46 770
<b>Risk committee</b>		Chair	US\$66 150	US\$69 450
		Member	US\$26 460	US\$27 780
<b>Human resources and remuneration committee</b>		Chair	US\$78 250	US\$82 163
		Member	US\$31 300	US\$32 865
<b>Nomination committee</b>		Chair	US\$42 175	US\$44 275
		Member	US\$16 870	US\$17 710
<b>Social and ethics committee</b>		Chair	US\$57 875	US\$60 775
		Member	US\$23 150	US\$24 310
<b>Other</b>				
Trustee of group share schemes/other personal funds			R48 720	R51 200

#### Note

<sup>(i)</sup> Mr Sorour exercised share appreciation rights in a group share-based incentive plan and received 5 833 Naspers N ordinary shares in settlement of the gain. He then sold 5 833 Naspers N ordinary shares.

## Remuneration report for the year ended 31 March 2018

*continued*

### Non-executive directors' fees continued

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.

Non-executive directors	2018							2017						
	Directors' fees <sup>(1)</sup>		Committee <sup>(2)</sup> and trustee <sup>(3)</sup> fees		Other fees <sup>(4)</sup>		Total 2018 US\$'000	Directors' fees <sup>(1)</sup>		Committee <sup>(2)</sup> and trustee <sup>(3)</sup> fees		Other fees <sup>(4)</sup>		Total 2017 US\$'000
	Paid by company US\$'000	Paid by subsidiary US\$'000	Paid by company US\$'000	Paid by subsidiary US\$'000	Paid by company US\$'000	Paid by subsidiary US\$'000		Paid by company US\$'000	Paid by subsidiary US\$'000	Paid by company US\$'000	Paid by subsidiary US\$'000	Paid by company US\$'000	Paid by subsidiary US\$'000	
J P Bekker	526	23	—	—	—	—	549	504	20	—	—	—	—	524
E M Choi	258	—	28	—	—	—	286	—	—	—	—	—	—	—
H J du Toit	—	—	—	—	—	—	—	—	—	—	—	—	—	—
C L Enenstein	258	—	10	—	—	50	318	246	—	—	—	—	—	50
D G Eriksson	233	53	235	52	—	—	573	218	47	224	36	—	—	525
R C C Jafta	233	70	199	10	—	—	512	218	61	180	26	—	—	485
F L N Letele	233	—	23	—	—	433	689	218	—	22	—	—	275	515
G Liu	258	—	—	—	—	—	258	232	—	—	—	—	—	232
D Meyer	233	23	23	13	—	—	292	218	20	22	12	—	—	272
R Oliveira de Lima	261	—	5	—	—	50	316	232	—	—	—	—	50	282
S J Z Pacak	251	35	26	17	—	47	376	246	31	25	14	—	187	503
T M F Phaswana	233	—	48	—	—	—	281	242	—	46	—	—	—	288
J D T Stofberg	251	—	0	—	—	—	251	221	—	—	—	—	—	221
B J van der Ross	230	—	71	—	—	—	301	218	—	68	—	—	—	286
<b>Total</b>	<b>3 458</b>	<b>204</b>	<b>668</b>	<b>92</b>	<b>—</b>	<b>580</b>	<b>5 002</b>	<b>3 013</b>	<b>179</b>	<b>587</b>	<b>88</b>	<b>—</b>	<b>562</b>	<b>4 429</b>

#### Notes

<sup>(1)</sup> Koos Bekker elected to donate the full after-tax proceeds of his Naspers director's fees, being R3.4m, to Simondium Primary, a school serving mostly farmworkers' children in the Drakenstein Valley of South Africa.

<sup>(2)</sup> Appointed 21 April 2017.

<sup>(3)</sup> Hendrik du Toit elected not to receive director's fees.

<sup>(4)</sup> Compensation for assignments.

#### General notes

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

Committee fees include fees for attending meetings of the audit committee, risk committee, human resources and remuneration committee, nominations 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 24 August 2018 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 for the year ended 31 March 2018

*continued*

The committee conducts an annual benchmarking exercise to ascertain whether the fees for non-executive directors are competitive, fair and reasonable. Fees are not only benchmarked against JSE-listed companies but also against international publicly listed companies operating in the consumer internet sector. Given the global scale and complexity of the businesses which the group operates and has interest in, it is important that we can attract and retain the best globally orientated board members.

Non-executive directors do not receive any long-term or equity-based compensation.

### Termination payments

No termination payments were made to executive and non-executive directors on termination of employment or office in FY18.

### Compliance

There were no deviations from the remuneration policy in FY18.

### Directors' interest in Naspers shares

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

Name	31 March 2018			31 March 2017		
	Naspers A ordinary shares			Naspers A ordinary shares		
	Beneficial		Total	Beneficial		Total
Name	Direct	Indirect		Direct	Indirect	
J D T Stofberg	—	166	166	—	166	166

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

Name	31 March 2018			31 March 2017		
	Naspers N ordinary shares			Naspers N ordinary shares		
	Beneficial		Total	Beneficial		Total
Name	Direct	Indirect		Direct	Indirect	
J P Bekker	—	4 688 691	4 688 691	—	4 688 691	4 688 691
E M Choi <sup>(1)</sup>	—	—	—	—	—	—
H J du Toit	—	—	—	—	—	—
C L Enenstein	—	—	—	—	—	—
D G Eriksson	—	—	—	—	—	—
R C C Jafta	—	—	—	—	—	—
F L N Letele <sup>(2)</sup>	1 474	—	1 474	737	—	737
G Liu	—	—	—	—	—	—
D Meyer	—	—	—	—	—	—
R Oliveira de Lima	—	—	—	—	—	—
S J Z Pacak <sup>(3),(4),(8)</sup>	376 635	291 548	668 183	312 635	537 548	850 183
T M F Phaswana	—	3 530	3 530	—	3 530	3 530
V Sgourdos <sup>(8)</sup>	—	86 990	86 990	—	59 277	59 277
M R Sorour <sup>(5),(6),(8)</sup>	1 219	61 556	62 775	1 262	23 680	24 942
J D T Stofberg	159 831	291 888	451 719	159 831	291 888	451 719
B J van der Ross <sup>(7)</sup>	1 650	820	2 470	—	400	400
B van Dijk <sup>(8)</sup>	—	568 062	568 062	—	284 031	284 031
<b>Total</b>	<b>540 809</b>	<b>5 993 085</b>	<b>6 533 894</b>	<b>474 465</b>	<b>5 889 045</b>	<b>6 363 510</b>

### General note

Koos Bekker and Cobus Stofberg each have an indirect 25% interest in Wheatfields 221 Proprietary Limited, which controls 168 605 Naspers Beleggings (RF) Beperk ordinary shares, 16 860 500 Keeromstraat 30 Beleggings (RF) Beperk ordinary shares and 169 865 Naspers A shares. No other director of Naspers had any direct interest in Naspers A ordinary shares at 31 March 2018 or 31 March 2017.

### Notes

<sup>(1)</sup> Appointed 21 April 2017.

<sup>(2)</sup> On 8 February 2018 Nolo Letele purchased 737 Naspers N ordinary shares upon payment of the amount of R100 794.54 to the MIH Holdings Share Trust.

<sup>(3)</sup> On 10 July 2017 Steve Pacak's family trust sold 15 000 Naspers N ordinary shares at average market prices ranging between R2 523.00 and R2 529.37 per share. On 7 February 2018 Steve's family trust sold 185 000 Naspers N ordinary shares at average market prices ranging between R3 012.86 and R3 077.24 per share in the MIH Services FZ LLC Share Trust. On 7 February 2018, 300 000 Naspers N ordinary shares were delivered to Steve's family trust upon payment of the amount of R41 028 950.84 to MIH Services FZ LLC Share Trust from the proceeds of the sale of the 185 000 Naspers N ordinary shares. On 7 September 2017, 18 000 N ordinary shares held in the MIH Services FZ LLC Share Trust vested.

<sup>(4)</sup> The comparative has been restated to correct the allocation between direct and indirect holding. The total number of shares held, remains unchanged.

<sup>(5)</sup> On 13 March 2018 Mark Sorour's spouse sold 43 Naspers N ordinary shares at a market price of R3 566.00 per share.

<sup>(6)</sup> Retired as an executive director on 31 March 2018. Mark remained on the board as a non-executive director.

<sup>(7)</sup> On 15 December 2017 Ben van der Ross's family trust purchased 420 Naspers N ordinary shares at a market price of R3 395.00 per share. On 16 January 2018 Ben purchased 1 650 Naspers N ordinary shares at average market prices ranging between R3 653.76 and R3 679.19 per share.

<sup>(8)</sup> Naspers share options that have been released (vested), but have not yet been exercised, are included in the indirect column:

Number of released/ vested options FY18	Number of released/ vested options FY17
S J Z Pacak	254 000
V Sgourdos	86 990
B van Dijk	568 062

There have been no further changes to the directors' interests between the end of the financial year and 22 June 2018.

# Remuneration report for the year ended 31 March 2018

*continued*

## Implementation of policy in the 2018/19 financial year

We have provided details below on the proposed operation of our policy for 2018/19 financial year.

### Base salary

The table below presents the base salary levels implemented for FY19.

	Base salary 1 April 2018 US\$'000	Base salary 1 April 2019 US\$'000	% change
Bob van Dijk	1 332	1 385	4%
Basil Sgourdos <sup>(i)</sup>	970	1 009	4%

**Note**

<sup>(i)</sup> Includes pension and other benefits.

### Short-term incentives

Awards will be made in line with our revised remuneration policy.

**Clawback:** From FY19, short-term incentive plans for Bob van Dijk, Basil Sgourdos and all other executive direct reports of Bob van Dijk will include a clawback provision.

The clawback provision will operate for two years following the payment of an STI or LTI and will give the remuneration committee the ability to claw back all or part of the incentive paid in a particular financial year in the event of material financial misstatement or gross misconduct on the part of the individual.

We have provided information on the performance measures to be used for the 2018/19 financial year.

### Short-term incentives: Financial goals

Group financial goals account for 50% of the short-term, performance-related incentive of the chief executive and CFO. The group financial goals for Basil Sgourdos have been adjusted compared to FY18 so that core headline earnings including and excluding Tencent are considered.

Measurements for both individuals include core headline earnings including Tencent, core headline earnings excluding Tencent, and free cash flow. In addition, the chief executive is measured on revenue growth for the group.

### FY19 short-term incentive (STI) scheme structure

#### BOB VAN DIJK



Maximum STI opportunity:  
100% base salary

FINANCIAL GOALS:	%
REVENUE	10
CORE HEADLINE EARNINGS (INCLUDING TENCENT)	15
CORE HEADLINE EARNINGS (EXCLUDING TENCENT)	15
FREE CASH FLOW	10
STRATEGIC GOALS:	
OPERATIONAL/STRATEGIC	50

#### BASIL SGOURDOS



Maximum STI opportunity:  
100% base salary<sup>(i)</sup>

FINANCIAL GOALS:	%
CORE HEADLINE EARNINGS (INCLUDING TENCENT)	12.5
CORE HEADLINE EARNINGS (EXCLUDING TENCENT)	12.5
FREE CASH FLOW	25
STRATEGIC GOALS:	
OPERATIONAL/STRATEGIC	50

**Note**

<sup>(i)</sup> An additional variable bonus capped at 25% of TCTC relating to obtaining new general funding applies.

### Short-term incentives: Strategic and operational goals

Strategic and operational goals account for 50% of the short-term, performance-related incentive for the chief executive and the CFO.

For Bob van Dijk (chief executive) these goals relate to the performance of the business segments including Classifieds, Payments, B2C Ecommerce, Food Delivery and Video Entertainment. Measurements include financial metrics such as revenue growth and trading profit (or trading loss reduction in earlier-stage businesses). Other performance metrics related to the business segments include new product, technology or market development, the relative competitive position of the business and key customer metrics such as growth in customer numbers.

For Basil Sgourdos, these goals relate to the effective management of the group's finance function including goals related to tax, treasury, stakeholder management and governance and controls.

## Remuneration report for the year ended 31 March 2018

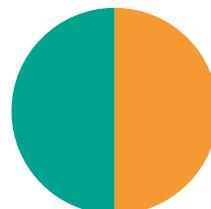
*continued*

### Long-term incentives

We have set out below information on the long-term awards to be made during the 2018/19 financial year.

Name	Naspers N share options			Naspers Global Ecommerce Share Appreciation Rights		
	Number of options	Face value (R)	Fair value (R)	Number of share appreciation rights	Face value (US\$)	Fair value (US\$)
Bob van Dijk	61 142	196 082 394	70 034 630	418 434	14 046 829	4 855 147
Basil Sgourdos	33 108	106 177 356	37 923 010	214 759	7 209 460	2 491 881

Post this allocation and as at 31 March 2019 the fair value of Bob van Dijk's and Basil Sgourdos's share-based incentives will be balanced approximately as follows:



%

● BASED ON THE PERFORMANCE OF THE ECOMMERCE SEGMENT SPECIFICALLY	50
● BASED ON THE PERFORMANCE OF NAPERS AS A WHOLE	50

### Clawback provision on LTI

From FY19, a clawback provision will be in operation on any LTI grants made to the executive directors and the other direct reports of the chief executive. The provision will be in operation for two years after the award has been made.

### Naspers shareholding requirement

From FY19, the chief executive will be required to hold Naspers shares to the value of 10 times his annual salary. The human resources and remuneration committee confirms that the chief executive has met the required shareholding threshold for FY19.

### Annexure A

A summary of executive directors' participation in Naspers scheme shares, in relation to shares outstanding (not yet released/vested) at 31 March 2018, is set out below.

#### MIH Services FZ LLC Share Trust (Naspers share options)

Name	Offer date	Number of N ordinary shares	Face value per share (R)	Release period	Fair value per share (R) <sup>(i)</sup>
Bob van Dijk	11/07/2013	6 698	767.89	11/07/2018	344.19
	28/03/2014	277 334	1 152.89	28/03/2019	581.04
	05/07/2016	147 906	2 162.89	05/07/2019 to 05/07/2021	841.96 – 1 040.60
	08/09/2017	51 728	2 861.73	08/09/2018 to 08/09/2021	638.05 – 1 083.79
Basil Sgourdos	11/07/2013	9 120	767.89	11/07/2018	344.19
	04/09/2014	14 940	1 378.67	04/09/2018 to 04/09/2019	648.05 – 695.10
	18/9/2015	6 741	1 740.85	18/09/2018 to 18/09/2020	765.98 – 914.29
	25/9/2015	1 378	1 700.53	25/09/2018 to 25/09/2020	748.89 – 894.66
	29/08/2016	9 691	2 429.53	29/08/2019 to 29/08/2021	909.76 – 1 135.31
	08/09/2017	5 776	2 861.73	08/09/2018 to 08/09/2021	638.05 – 1 083.79

**Note**

<sup>(i)</sup> The value of the option represents the fair value on grant date in accordance with IFRS.

#### MIH Holdings Share Trust (Naspers share options)

Name	Offer date	Number of N ordinary shares	Face value per share (R)	Release period	Fair value per share (R) <sup>(i)</sup>
Mark Sorour <sup>(2)</sup>	11/07/2013	13 680	767.89	11/07/2018	333.60
	28/03/2014	10 000	1 152.89	28/03/2019	567.40
	04/09/2014	18 674	1 378.67	04/09/2018 to 04/09/2019	626.11 – 676.96
	18/09/2015	10 111	1 740.85	18/09/2018 to 18/09/2020	765.98 – 914.29
	25/09/2015	2 067	1 700.53	25/09/2018 to 25/09/2020	748.89 – 894.66
	29/08/2016	7 787	2 429.53	29/08/2019 to 29/08/2021	909.76 – 1 135.31
	28/08/2017	11 049	2 945.89	28/08/2018 to 28/08/2021	673.40 – 1 144.64

**Notes**

<sup>(i)</sup> The value of the option represents the fair value on grant date in accordance with IFRS.

<sup>(2)</sup> Retired as an executive director on 31 March 2018. Mark remained on the board as a non-executive director.

## Remuneration report for the year ended 31 March 2018

*continued*

### Directors' interests in other group share-based incentive schemes

A summary of executive directors' participation in other Naspers group share-based incentive schemes in relation to shares/appreciation rights not yet released at 31 March 2018, is set out in the adjacent table. Full details can be found in note 43 on pages 140 to 151 of the consolidated annual financial statements at [www.naspers.com](http://www.naspers.com).

Name	Incentive scheme	Offer date	Number of SARs	Purchase price per SARs	Release period	Fair value per SARs <sup>(1)</sup>
Bob van Dijk	Flipkart SAR	10/09/2014	146 344	US\$63.64	10/09/2018 to 10/09/2019	US\$24.63 – US\$26.04
	Naspers Global Ecommerce SAR	12/09/2014	2 986 455	US\$15.58	12/09/2018 to 12/09/2019	US\$5.26 – US\$5.59
	Naspers Global Ecommerce SAR	15/08/2017	733 945	US\$27.25	15/08/2018 to 15/08/2022	US\$5.52 – US\$7.91
	Naspers Global Ecommerce SAR	08/09/2017	175 259	US\$27.60	08/09/2018 to 08/09/2022	US\$5.51 – US\$7.80
	SimilarWeb SAR	10/09/2014	79 874	US\$1.45	10/09/2018 to 10/09/2019	US\$0.52 – US\$0.55
Basil Sgourdos	Naspers Global Ecommerce SAR	17/09/2015	29 049	US\$18.59	17/09/2018 to 17/09/2020	US\$6.04 – US\$6.84
	Naspers Global Ecommerce SAR	29/08/2016	130 400	US\$20.45	29/08/2018 to 29/08/2021	US\$5.78 – US\$7.07
	Naspers Global Ecommerce SAR	15/08/2017	126 766	US\$27.25	15/08/2018 to 15/08/2022	US\$5.52 – US\$7.91
	Naspers Global Ecommerce SAR	08/09/2017	105 088	US\$27.60	08/09/2018 to 08/09/2022	US\$5.51 – US\$7.80
	Showmax SAR Plan	18/09/2015	3 334	US\$18	18/09/2018 to 18/09/2020	US\$9.30 – US\$10.28
Mark Sorour <sup>(2)</sup>	Flipkart SAR Plan	10/09/2014	1 235	US\$63.64	10/09/2018 to 10/09/2019	US\$24.63 – US\$26.04
	Flipkart SAR Plan	11/09/2015	2 830	US\$63.64	11/09/2018 to 11/09/2020	US\$23.80 – US\$26.75
	Flipkart SAR Plan	30/08/2016	3 368	US\$63.64	30/08/2018 to 30/08/2021	US\$17.01 – US\$20.90
	Naspers Global Ecommerce SAR	12/09/2014	26 987	US\$15.58	12/09/2018 to 12/09/2019	US\$5.26 – US\$5.59
	Naspers Global Ecommerce SAR	17/09/2015	25 822	US\$18.59	17/09/2018 to 17/09/2020	US\$6.04 – US\$6.84
	Naspers Global Ecommerce SAR	29/08/2016	27 943	US\$20.45	29/08/2018 to 29/08/2021	US\$5.78 – US\$7.07
	MIH China/MIH TC 2008 SAR	17/01/2014	8 000	US\$42.95	17/01/2019	US\$11.54
	SimilarWeb SAR	10/09/2014	692	US\$1.45	10/09/2018 to 10/09/2019	US\$0.52 – US\$0.55
	SimilarWeb SAR	17/09/2015	4 491	US\$6.68	17/09/2018 to 17/09/2020	US\$2.83 – US\$3.16
	SimilarWeb SAR	02/09/2016	5 348	US\$6.68	02/09/2018 to 02/09/2021	US\$3.53 – US\$4.15
Takealot	Showmax SAR	18/09/2015	6 667	US\$18	18/09/2018 to 18/09/2020	US\$9.30 – US\$10.28
	Takealot SAR	11/09/2015	3 282	R111.04	11/09/2018 to 11/09/2020	R52.77 – R61.26
	Takealot SAR	30/08/2016	3 704	R130.95	30/08/2018 to 30/08/2021	R48.72 – R65.50

### Notes

<sup>(1)</sup> The value of the SARs represents the fair value on grant date in accordance with IFRS in respect of scheme currency.

<sup>(2)</sup> Retired as an executive director on 31 March 2018. Mark remained on the board as a non-executive director.

## Summarised consolidated annual financial statements

### Contents

	Page
Statement of responsibility by the board of directors	92
Independent auditor's report on the summary consolidated financial statements	93
Segmental review	94
Reconciliation of consolidated trading loss to consolidated operating loss	95
Summarised consolidated income statement	95
Summarised consolidated statement of comprehensive income	96
Summarised consolidated statement of changes in equity	97
Summarised consolidated statement of financial position	97
Summarised consolidated statement of cash flows	98
Notes to the summarised consolidated financial statements	99
Further information	110

## Statement of responsibility by the board of directors

for the year ended 31 March 2018

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](http://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 audit were valid and appropriate. PricewaterhouseCoopers Inc.'s audit report is presented on page 93.

The summarised consolidated annual financial statements were approved by the board of directors on 22 June 2018 and are signed on its behalf by:

**Koos Bekker**  
Chair

**Bob van Dijk**  
Chief executive

22 June 2018

## 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 94 to 107 of the integrated annual report, which comprise the summary consolidated statement of financial position as at 31 March 2018, the summary consolidated income statement, and summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Naspers Limited for the year ended 31 March 2018.

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

### **Summary Consolidated Financial Statements**

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

### **The Audited Consolidated Financial Statements and Our Report Thereon**

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 22 June 2018. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgment, 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 JSE's requirements for summary financial statements, as set out in the "Basis of presentation and accounting policies" section 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 aspects, 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

22 June 2018

**PricewaterhouseCoopers Inc.**  
5 Silo Square, V&A Waterfront, Cape Town 8002, P O Box 2799, Cape Town 8000  
T: +27 (0) 21 529 2000, F: +27 (0) 21 529 3300, [www.pwc.co.za](http://www.pwc.co.za)

Chief Executive Officer: T D Shango  
Management Committee: S N Madikane, J S Masondo, P J Mothibe, C Richardson, F Tonelli, C Volschenk  
The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukkei View, where a list of directors' names is available for inspection.  
Reg. no. 1998/012055/21, VAT reg.no. 4950174682

## Segmental review

	Revenue Year ended 31 March			EBITDA <sup>(1)</sup> Year ended 31 March			Trading profit Year ended 31 March		
	2018	2017	% change	2018	2017 Restated US\$'m	% change	2018	2017 Restated US\$'m	% change
	US\$'m	US\$'m		US\$'m	US\$'m		US\$'m	US\$'m	
Internet	15 928	10 621	50	3 382	2 282	48	3 053	2 030	50
Social network services	12 281	7 692	60	3 997	2 964	35	3 726	2 761	35
– Tencent	12 024	7 506	60	3 925	2 888	36	3 675	2 701	36
– Mail.ru	257	186	38	72	76	(5)	51	60	(15)
Ecommerce	3 647	2 929	25	(615)	(682)	10	(673)	(731)	8
– Etail	2 060	1 659	24	(248)	(258)	4	(270)	(281)	4
– Travel	276	123	>100	(59)	(87)	32	(61)	(88)	31
– Marketplaces	–	327	(100)	–	146	(100)	–	137	(100)
– Payments	294	186	58	(60)	(66)	9	(64)	(69)	7
– Classifieds	628	426	47	(99)	(319)	69	(114)	(328)	65
– Food delivery	166	53	>100	(20)	5	>(100)	(30)	5	>(100)
– Other	223	155	44	(129)	(103)	(25)	(134)	(107)	(25)
Video entertainment	3 680	3 401	8	627	520	21	369	287	29
Media <sup>(2)</sup>	507	588	(14)	10	40	(75)	3	19	(84)
Corporate services	3	2	50	(22)	(14)	(57)	(22)	(14)	(57)
Intersegmental	(21)	(50)	58	–	–	–	–	–	–
Economic interest	20 097	14 562	38	3 997	2 828	41	3 403	2 322	47
Less:									
Equity-accounted investments	(13 437)	(8 464)	(59)	(3 739)	(2 756)	(36)	(3 444)	(2 536)	(36)
<b>Consolidated</b>	<b>6 660</b>	<b>6 098</b>	<b>9</b>	<b>258</b>	<b>72</b>	<b>258</b>	<b>(41)</b>	<b>(214)</b>	<b>81</b>

### Notes

<sup>(1)</sup> EBITDA refers to earnings before interest, taxation, depreciation and amortisation.

<sup>(2)</sup> Includes revenue of US\$133m (2017: US\$222.4m), EBITDA of US\$3.3m (2017: US\$55.1m) and trading profit of US\$33.3m (2017: US\$40.3m) relating to Novus Holdings Limited (Novus).

The group distributed the majority of its shareholding in Novus to its shareholders in September 2017.

## Reconciliation of consolidated trading loss to consolidated operating loss

	Year ended 31 March	
	2018 US\$'m	2017 US\$'m
<b>Consolidated trading loss</b>	(41)	(214)
Finance cost on transponder leases	51	46
Amortisation of other intangible assets	(101)	(99)
Other (losses)/gains – net	(47)	(57)
Retention option expense	(8)	(1)
Share-based incentives settled in treasury shares	(52)	(35)
<b>Consolidated operating loss</b>	<b>(198)</b>	<b>(360)</b>

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

## Summarised consolidated income statement

	Year ended 31 March	
	2018 US\$'m	2017 Restated US\$'m
		% change
<b>Revenue</b>		
Cost of providing services and sale of goods	(4 025)	(3 574)
Selling, general and administration expenses	(2 786)	(2 827)
Other (losses)/gains – net	(47)	(57)
<b>Operating loss</b>		
Interest received	88	70
Interest paid	(267)	(278)
Other finance (costs)/income – net	(319)	(899)
Share of equity-accounted results	3 277	1 829
Impairment of equity-accounted investments	(46)	–
Dilution gains/(losses) on equity-accounted investments <sup>(1)</sup>	9 216	(119)
(Losses)/gains on acquisitions and disposals	(93)	2 169
<b>Profit before taxation</b>	<b>11 658</b>	<b>2 412</b>
Taxation	(360)	(244)
<b>Profit for the year</b>	<b>11 298</b>	<b>2 168</b>
<b>Attributable to:</b>		
Equity holders of the group	11 357	2 337
Non-controlling interest	(59)	(169)
	<b>11 298</b>	<b>2 168</b>

### Note

<sup>(1)</sup> Includes the gain recognised on the disposal of a 2% interest in Tencent Holdings Limited.

## Summarised consolidated income statement

continued

	Year ended 31 March		
	2018 US\$'m	2017 Restated US\$'m	% change
Core headline earnings for the year (US\$'m)	2 507	1 454	72
Core headline earnings per N ordinary share (US cents)	581	337	72
Diluted core headline earnings per N ordinary share (US cents)	568	330	72
Headline earnings for the year (US\$'m)	1 794	188	>100
Headline earnings per N ordinary share (US cents)	416	44	>100
Diluted headline earnings per N ordinary share (US cents)	403	38	>100
Earnings per N ordinary share (US cents)	2 631	542	>100
Diluted earnings per N ordinary share (US cents)	2 612	535	>100
Net number of shares issued ('000)			
– At year-end	432 126	431 540	
– Weighted average for the year	431 635	431 207	
– Diluted weighted average	433 003	432 684	

Refer to the basis of preparation of these summarised consolidated financial statements for details of the group's change in accounting policy.

## Summarised consolidated statement of comprehensive income

	Year ended 31 March	
	2018 US\$'m	2017 Restated US\$'m
<b>Profit for the year<sup>(1)</sup></b>	<b>11 298</b>	<b>2 168</b>
<b>Total other comprehensive income, net of tax, for the year<sup>(2)</sup></b>	<b>1 742</b>	<b>1 541</b>
Translation of foreign operations <sup>(3)</sup>	996	322
Net fair value (losses)/gains	(4)	(1)
Cash flow hedges	(98)	(85)
Share of other comprehensive income and reserves of equity-accounted investments	835	1 293
Tax on other comprehensive income	13	12
<b>Total comprehensive income for the year</b>	<b>13 040</b>	<b>3 709</b>
<b>Attributable to:</b>		
Equity holders of the group	13 025	3 905
Non-controlling interest	15	(196)
	<b>13 040</b>	<b>3 709</b>

Refer to the basis of preparation of these summarised consolidated financial statements for details of the group's change in accounting policy.

**Notes**

<sup>(1)</sup> Includes the gain recognised on the disposal of a 2% interest in Tencent Holdings Limited.

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

<sup>(3)</sup> 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.

## Summarised consolidated statement of changes in equity

	Year ended 31 March	
	2018 US\$'m	2017 Restated US\$'m
<b>Balance at the beginning of the year</b>	<b>13 142</b>	10 654
Change in accounting policy	–	(1 504)
Restated balance at the beginning of the year	13 142	9 150
<b>Changes in share capital and premium</b>		
Movement in treasury shares	(64)	(77)
Share capital and premium issued	85	56
<b>Changes in reserves</b>		
Total comprehensive income for the year	13 025	3 905
Movement in share-based compensation reserve	(48)	(376)
Movement in existing control business combination reserve	(195)	16
Direct retained earnings and other movements	125	721
Dividends paid to Naspers shareholders	(262)	(158)
<b>Changes in non-controlling interest</b>		
Total comprehensive income for the year	15	(196)
Dividends paid to non-controlling shareholders	(153)	(116)
Movement in non-controlling interest in reserves	21	217
<b>Balance at the end of the year</b>	<b>25 691</b>	13 142
<b>Comprising:</b>		
Share capital and premium	4 965	4 944
Retained earnings	20 132	8 912
Share-based compensation reserve	1 460	1 147
Existing control business combination reserve	(1 847)	(1 652)
Hedging reserve	(106)	(30)
Valuation reserve	1 679	1 387
Foreign currency translation reserve	(761)	(1 852)
Non-controlling interests	169	286
<b>Total</b>	<b>25 691</b>	13 142

Refer to the basis of preparation of these summarised consolidated financial statements for details of the group's change in accounting policy.

## Summarised consolidated statement of financial position

	31 March		I April 2016
	2018 US\$'m	2017 Restated US\$'m	Restated US\$'m
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	22 386	16 291	13 486
Goodwill	1 638	1 638	1 443
Other intangible assets	2 607	2 442	2 818
Investments in associates	1 143	1 104	1 190
Investments in joint ventures	16 666	10 784	7 625
Other investments and loans	78	79	218
Other receivables	115	82	57
Derivative financial instruments	21	32	20
Deferred taxation	1 117	128	115
<b>Current assets</b>	<b>13 065</b>	<b>5 639</b>	<b>3 237</b>
Inventory	231	154	194
Programme and film rights	240	193	160
Trade receivables	452	420	393
Other receivables and loans	762	456	491
Derivative financial instruments	11	6	59
Cash and cash equivalents	11 369	4 007	1 714
Assets classified as held for sale	13 065	5 236	3 011
<b>Total assets</b>	<b>35 451</b>	<b>21 930</b>	<b>16 723</b>

## Summarised consolidated statement of financial position

continued

	31 March		1 April
	2018	2017 Restated US\$'m	2016 Restated US\$'m
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>	<b>25 522</b>	12 856	8 771
Share capital and premium	4 965	4 944	4 965
Other reserves	425	(1 000)	(2 304)
Retained earnings	20 132	8 912	6 110
Non-controlling interests	169	286	379
<b>Total equity</b>	<b>25 691</b>	13 142	9 150
<b>Non-current liabilities</b>	<b>5 623</b>	5 349	5 118
Capitalised finance leases	1 086	1 142	771
Liabilities – interest bearing	3 202	2 198	2 922
– non-interest bearing	22	9	8
Other non-current liabilities	867	1 708	1 098
Post-employment medical liability	30	14	13
Derivative financial instruments	157	13	20
Deferred taxation	259	265	286
<b>Current liabilities</b>	<b>4 137</b>	3 439	2 455
Current portion of long-term debt	280	915	227
Trade payables	564	487	437
Accrued expenses and other current liabilities	3 163	1 844	1 662
Derivative financial instruments	129	119	31
Bank overdrafts and call loans	1	4	1
	<b>4 137</b>	3 369	2 358
Liabilities classified as held for sale	–	70	97
<b>Total equity and liabilities</b>	<b>35 451</b>	21 930	16 723
Net asset value per N ordinary share (US cents)	<b>5 906</b>	2 979	2 035

Refer to the basis of preparation of these summarised consolidated financial statements for details of the group's change in accounting policy.

## Summarised consolidated statement of cash flows

	Year ended 31 March	
	2018 US\$'m	2017 US\$'m
<b>Cash flows from operating activities</b>		
Cash generated from operating activities	141	294
Interest income received	81	63
Dividends received from investments and equity-accounted companies	251	193
Interest costs paid	(240)	(257)
Taxation paid	(391)	(333)
<b>Net cash utilised in operating activities</b>	<b>(158)</b>	<b>(40)</b>
<b>Cash flows from investing activities</b>		
Acquisitions and disposals of tangible and intangible assets	(138)	(173)
Acquisitions of subsidiaries, associates and joint ventures	(1 957)	(397)
Disposals of subsidiaries, associates and joint ventures	9 941	3 383
Cash movement in other investments and loans	7	1
<b>Net cash generated from investing activities</b>	<b>7 853</b>	<b>2 814</b>
<b>Cash flows from financing activities</b>		
Proceeds from long- and short-term loans raised	1 124	584
Repayments of long- and short-term loans	(827)	(602)
Outflow from share-based compensation transactions	(22)	(36)
Dividends paid by the holding company and its subsidiaries	(344)	(281)
Other movements resulting from financing activities	(319)	(76)
<b>Net cash utilised in financing activities</b>	<b>(388)</b>	<b>(411)</b>
<b>Net movement in cash and cash equivalents</b>	<b>7 307</b>	<b>2 363</b>
Foreign exchange translation adjustments on cash and cash equivalents	58	(50)
Cash and cash equivalents at the beginning of the year	4 003	1 713
Cash and cash equivalents classified as held for sale	–	(23)
<b>Cash and cash equivalents at the end of the year</b>	<b>11 368</b>	<b>4 003</b>

## Notes to the summarised consolidated financial statements

for the year ended 31 March

### Basis of presentation and accounting policies

The summarised consolidated financial results for the year ended 31 March 2018 are prepared in accordance with the JSE Limited (the JSE) Listings Requirements relevant to summarised financial statements and the provisions of the Companies Act No 71 of 2008. The JSE Listings Requirements require 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, except as set out below.

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

The group's reportable segments reflect the components of the group that are regularly reviewed by the chief executive 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 operating performance. However, this is not a defined term under IFRS and may not be comparable with similarly titled measures reported by other companies.

### Change in accounting policy regarding written put option liabilities

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

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

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

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

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

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

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

## Notes to the summarised consolidated financial statements *continued*

for the year ended 31 March

**Basis of presentation and accounting policies** *continued*

**Change in accounting policy regarding written put option liabilities** *continued*

### Income statement (extract)

	31 March		
	2017 Restated US\$'m	2017 Change in accounting policy US\$'m	2017 Previously reported US\$'m
Other finance (costs)/income – net	(899)	(640)	(259)
<b>Profit before taxation</b>	<b>2 412</b>	<b>(640)</b>	<b>3 052</b>
Taxation	(244)	–	(244)
<b>Profit for the year</b>	<b>2 168</b>	<b>(640)</b>	<b>2 808</b>
<b>Attributable to:</b>			
Equity holders of the group	2 337	(584)	2 921
Non-controlling interests	(169)	(56)	(113)
	<b>2 168</b>	<b>(640)</b>	<b>2 808</b>
<b>Earnings per N ordinary share (US cents)</b>			
Basic	542	(135)	677
Diluted	535	(135)	670
<b>Headline earnings per N ordinary share (US cents)</b>			
Basic	44	(135)	179
Diluted	38	(135)	173

### Statement of comprehensive income

Profit for the year	2 168	(640)	2 808
Other comprehensive income for the year	1 541	(4)	1 545
<b>Total comprehensive income for the year</b>	<b>3 709</b>	<b>(644)</b>	<b>4 353</b>
<b>Attributable to:</b>			
Equity holders of the group	3 905	(587)	4 492
Non-controlling interests	(196)	(57)	(139)
	<b>3 709</b>	<b>(644)</b>	<b>4 353</b>

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

### Statement of financial position (extract)

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

## Notes to the summarised consolidated financial statements *continued*

for the year ended 31 March

### **Basis of presentation and accounting policies** *continued*

#### **Change in calculation of trading profit and core headline earnings**

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

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

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

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

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

#### **Change in calculation of trading profit and core headline earnings**

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

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

## Notes to the summarised consolidated financial statements *continued*

for the year ended 31 March

### Headline and core headline earnings

	Year ended 31 March	
	2018 US\$'m	2017 Restated US\$'m
<b>Net profit attributable to shareholders</b>	<b>11 357</b>	<b>2 337</b>
Adjusted for:		
– impairment of property, plant and equipment and other assets	39	26
– impairment of goodwill and other intangible assets	4	28
– (profit)/loss on sale of assets	(1)	1
– loss on remeasurement of disposal groups classified as held for sale to fair value less costs of disposal	–	2
– losses/(gains) on acquisitions and disposals of investments	95	(2 219)
– remeasurement of previously held interest	(21)	–
– dilution (gains)/losses on equity-accounted investments <sup>(1)</sup>	(9 216)	119
– remeasurements included in equity-accounted earnings	(524)	(102)
– impairment of equity-accounted investments	46	–
	1 779	192
Total tax effects of adjustments	18	(17)
Total adjustment for non-controlling interest	(3)	13
<b>Headline earnings</b>	<b>1 794</b>	<b>188</b>
Adjusted for:		
– equity-settled share-based payment expenses	435	296
– amortisation of other intangible assets <sup>(2)</sup>	190	169
– fair-value adjustments and currency translation differences <sup>(3)</sup>	60	756
– retention option expense	8	1
– business combination-related losses	20	44
<b>Core headline earnings</b>	<b>2 507</b>	<b>1 454</b>

#### Notes

<sup>(1)</sup> Includes the gain recognised on the disposal of a 2% interest in Tencent Holdings Limited.

<sup>(2)</sup> Refer to the basis of preparation of these summarised consolidated financial statements for details of the group's change in calculation of core headline earnings. Amortisation of other intangible assets for the year ended 31 March 2017 has been adjusted to include amortisation expenses of US\$298m regarding Tencent's digital content business.

<sup>(3)</sup> Refer to the basis of preparation of these summarised consolidated financial statements for details of the group's change in accounting policy. Fair-value adjustments and currency translation differences for the year ended 31 March 2017 has been adjusted by US\$584m for the impact of remeasurements of written put options.

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

### Interest (paid)/received

	Year ended 31 March	
	2018 US\$'m	2017 Restated US\$'m
<b>Interest received</b>	<b>88</b>	<b>70</b>
– loans and bank accounts	74	56
– other	14	14
<b>Interest paid</b>	<b>(267)</b>	<b>(278)</b>
– loans and overdrafts	(196)	(198)
– transponder leases	(51)	(46)
– other	(20)	(34)
<b>Other finance (cost)/income – net</b>	<b>(319)</b>	<b>(899)</b>
– net foreign exchange differences and fair-value adjustments on derivatives	(67)	(277)
– remeasurement of written put option liabilities	(252)	(622)

## Notes to the summarised consolidated financial statements continued

for the year ended 31 March

### Equity-accounted results

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

	Year ended 31 March	
	2018 US\$'m	2017 Restated US\$'m
<b>Share of equity-accounted results</b>	<b>3 277</b>	<b>1 829</b>
– sale of assets	1	3
– disposal of investments	(692)	(381)
– impairment of investments	159	268
<b>Contribution to headline earnings</b>	<b>2 745</b>	<b>1 719</b>
– amortisation of other intangible assets	135	106
– equity-settled share-based payment expenses	385	268
– fair-value adjustments and currency translation differences	(224)	–
<b>Contribution to core headline earnings</b>	<b>3 041</b>	<b>2 093</b>
Tencent	3 288	2 237
Mail.ru	37	52
MakeMyTrip	(76)	–
Delivery Hero	(21)	–
Other	(187)	(196)

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

### Profit before taxation

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

	Year ended 31 March	
	2018 US\$'m	2017 US\$'m
<b>Depreciation of property, plant and equipment</b>	<b>219</b>	<b>214</b>
Amortisation	133	128
– other intangible assets	101	99
– software	32	29
<b>Costs related to programme and film rights, including amortisation</b>	<b>912</b>	<b>859</b>
<b>Net realisable value adjustments on inventory, net of reversals<sup>(1)</sup></b>	<b>48</b>	<b>51</b>
<b>Other (losses)/gains – net</b>	<b>(47)</b>	<b>(57)</b>
– gain/(loss) on sale of assets	2	(1)
– impairment of goodwill and other intangible assets	(4)	(30)
– impairment of property, plant and equipment and other assets	(39)	(26)
– remeasurement of disposal groups classified as held for sale to fair value less costs of disposal	–	(2)
– dividends received on investments	2	1
– fair-value adjustments on financial instruments	(6)	1
– other	(2)	–
<b>(Losses)/gains on acquisitions and disposals</b>	<b>(93)</b>	<b>2 169</b>
– (loss)/profit on sale of investments	(91)	1 990
– gains recognised on loss of control transactions	–	228
– remeasurement of contingent consideration	(5)	1
– acquisition-related costs	(18)	(50)
– remeasurement of previously held interest	21	–

**Note**

<sup>(1)</sup> Net realisable value write-downs relate primarily to set-top box subsidies in the video-entertainment segment.

## Notes to the summarised consolidated financial statements *continued*

for the year ended 31 March

### Goodwill

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

	Year ended 31 March	
	2018 US\$'m	2017 US\$'m
<b>Goodwill</b>		
– cost	2 790	3 175
– accumulated impairment	(348)	(357)
<b>Opening balance</b>	<b>2 442</b>	<b>2 818</b>
– foreign currency translation effects	41	210
– acquisitions of subsidiaries and businesses	124	244
– disposals of subsidiaries and businesses	–	(786)
– transferred to assets classified as held for sale	–	(37)
– impairment	–	(5)
– remeasurement to fair value less costs of disposal	–	(2)
<b>Closing balance</b>	<b>2 607</b>	<b>2 442</b>
– cost	2 961	2 790
– accumulated impairment	(354)	(348)

### 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.

	Year ended 31 March	
	2018 US\$'m	2017 US\$'m
<b>Commitments</b>	<b>3 537</b>	<b>2 464</b>
– capital expenditure	17	13
– programme and film rights	2 906	2 015
– network and other service commitments	104	158
– operating lease commitments	327	163
– set-top box commitments	183	115

The group operates a number of businesses in jurisdictions where taxes are payable on certain transactions or payments. The group continues to seek relevant advice and works with its advisers to identify and quantify such tax exposures. Our current assessment of possible withholding and other tax exposures, including interest and potential penalties, amounts to approximately US\$226.1m (2017: US\$256.7m). No provision has been made as at 31 March 2018 and 2017 for these possible exposures.

### Disposal groups classified as held for sale

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

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

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

## Notes to the summarised consolidated financial statements continued

for the year ended 31 March

### Disposal groups classified as held for sale continued

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

	Year ended 31 March	
	2018 US\$'m	2017 US\$'m
<b>Assets</b>	—	403
Property, plant and equipment	—	176
Goodwill and other intangible assets	—	35
Investment in joint venture	—	102
Deferred taxation assets	—	7
Inventory	—	26
Trade and other receivables	—	34
Cash and cash equivalents	—	23
<b>Liabilities</b>	—	70
Deferred taxation liabilities	—	19
Long-term liabilities	—	6
Trade payables	—	18
Accrued expenses and other current liabilities	—	27

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

### Business combinations, other acquisitions and disposals

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

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

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

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

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

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

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

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

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

## Notes to the summarised consolidated financial statements continued

for the year ended 31 March

### *Business combinations, other acquisitions and disposals continued*

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

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

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

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

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

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

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

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

### **Issue of listed bond**

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

### **Financial instruments**

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

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

	Fair-value measurement 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
<b>Assets</b>			
Available-for-sale investments	11	2	–
Forward exchange contracts	–	2	–
Currency devaluation features	–	–	6
<b>Liabilities</b>			
Forward exchange contracts	–	106	–
Shareholders' liabilities	–	–	18
Earn-out obligations	–	–	24
Interest rate swaps	–	8	–

## Notes to the summarised consolidated financial statements continued

for the year ended 31 March

### Financial instruments continued

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

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

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

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

Financial instruments for which fair value is disclosed:

	Carrying value US\$'m	Fair value US\$'m
<b>31 March 2018</b>		
Financial liabilities		
Capitalised finance leases	1 158	1 125
Publicly traded bonds	3 200	3 357
31 March 2017		
	Carrying value US\$'m	Fair value US\$'m
Financial liabilities		
Capitalised finance leases <sup>(1)</sup>	1 211	1 199
Publicly traded bonds	2 900	3 041

**Note**

<sup>(1)</sup> Includes financial liabilities classified as held for sale.

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

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

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

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

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

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

### Pro forma financial information

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

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

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

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

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

## Notes to the summarised consolidated financial statements continued

for the year ended 31 March

*Pro forma financial information continued*

### Year ended 31 March 2018

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

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

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

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

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

#### Notes

<sup>(1)</sup> Figures presented on an economic-interest basis as per the segmental review.

<sup>(2)</sup> A + B + C + D + E.

<sup>(3)</sup> E/(A + B) x 100.

<sup>(4)</sup> (F/A) – 1 x 100.

## Notes to the summarised consolidated financial statements *continued*

for the year ended 31 March

*Pro forma financial information continued*

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

### Notes

<sup>(1)</sup> Figures presented on an economic-interest basis as per the segmental review.

<sup>(2)</sup> A + B + C + D + E.

<sup>(3)</sup> E/(A + B) x 100.

<sup>(4)</sup> (F/A) – 1 x 100.

<sup>(5)</sup> Refer to the basis of preparation of these summarised consolidated financial statements for details of the group's change in calculation of trading profit.

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

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

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

### Notes

<sup>(1)</sup> A + B + C + D + E.

<sup>(2)</sup> E/(A + B) x 100.

<sup>(3)</sup> (F/A) – 1 x 100.

# *Further information*



# 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 104th annual general meeting of Naspers Limited (the company or Naspers) will be held on the 2nd floor, Daisy Room, Cape Town International Convention Centre 2 (CTICC2), corner of Heerengracht and Rue Bartholomeu Dias, Foreshore, Cape Town, South Africa on Friday 24 August 2018 at 11:15.

**Please note that the registration counter for purposes of registering to vote at this meeting on Friday 24 August 2018 will close at 11:00.**

**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 17 August 2018.

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 cutoff 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 22 August 2018 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 22 August 2018 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 17 August 2018 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 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 2018 is available on [www.naspers.com](http://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 resolution number 10 requires 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 2018 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 2018 can be obtained from [www.naspers.com](http://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 Mr M R Sorour as non-executive director with effect from 1 April 2018. His abridged curriculum vitae appears on page 60 of the integrated annual report. The board unanimously recommends the approval of the appointment of the director in question.

5. To elect Messrs C L Enenstein, D G Eriksson, H J du Toit, G Liu and R Oliveira de Lima, who retire by rotation and, being eligible, offer themselves for re-election as directors of the company. Their abridged curricula vitae appear on pages 59 and 60 of the integrated annual report.

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 IV™ Report for Corporate Governance for South Africa 2016 (King IV™) (principle 8).

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.

## Notice of annual general meeting

continued

Collectively, 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 skillset. The board and the nomination committee therefore unanimously recommend Messrs D G Eriksson and B J van der Ross, and Prof R C C Jafra for election to the audit committee. Their abridged curricula vitae appear on pages 59 and 60 of the integrated annual report. 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 on pages 68 to 91, by way of a non-binding advisory vote.
8. To approve the implementation of the remuneration policy as set out in the remuneration report in the integrated annual report on pages 68 to 91, by way of a non-binding advisory vote.
9. 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 and the 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, and 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.

10. 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 Limited (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% (21 932 802) of the issued number of that class of shares (including securities that are 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.

### 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.

### Special resolutions numbers I.1 to I.13

The approval of the remuneration of the non-executive directors for the year ending 31 March 2020 (up to 5% increase on fees (excluding value-added tax (VAT)) for 31 March 2019 already approved by shareholders at the annual general meeting on 25 August 2017), as follows:

Board	31 March 2020 (proposed up to 5% increase year on year (excluding VAT))
I.1 Chair*	2.5 times member
I.2 Member	US\$199 330
All members: Daily fees when travelling to and attending meetings outside home country	US\$3 500
<b>Committees</b>	
I.3 Audit committee: Chair	2.5 times member
I.4 Member	US\$49 110
I.5 Risk committee: Chair	2.5 times member
I.6 Member	US\$29 170
I.7 Human resources and remuneration committee: Chair	2.5 times member
I.8 Member	US\$34 510
I.9 Nomination committee: Chair	2.5 times member
I.10 Member	US\$18 600
I.11 Social and ethics committee: Chair	2.5 times member
I.12 Member	US\$25 530
<b>Other</b>	
I.13 Trustee of group share schemes/other personnel funds	R53 760

**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 I.1 to I.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 I.1 to I.13 in respect of the proposed 31 March 2020 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, subject to (ii) below, 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 (i) 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 integrated annual report) 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

## Notice of annual general meeting

continued

group share-based incentive scheme in question (ii) be limited, in respect of directors and prescribed officers, to financial assistance in relation to the acquisition of securities as contemplated in (i).

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.

### 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 whatsoever (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 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, except for the purposes of the group's share-based incentive schemes, 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.

Other than repurchasing N ordinary shares for purposes of the group's share-based incentive schemes, the directors have no specific intention, at present, for the company to repurchase any of its N ordinary shares, but believe that such a general authority should be put in place in case an opportunity presents itself during the year, which is in the best interest 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 whatsoever (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

- II. 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

20 July 2018

Cape Town

## 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 6315122092  
(the company)

#### 104th annual general meeting of shareholders

For use by holders of certificated shares or 'own name' dematerialised shareholders at the 104th annual general meeting of shareholders of the company to be held on the 2nd floor, Daisy Room, Cape Town International Convention Centre 2 (CTICC2), corner of Heerengracht and Rua Bartholomeu Dias, Foreshore, Cape Town, South Africa on Friday 24 August 2018 at 11:15.

I/We (please print)			
of			
being a holder of		certificated shares or	
'own name' dematerialised shares of Naspers and entitled to (see note 1)		votes, hereby appoint	
1. or, failing him/her;			
2. or, failing him/her;		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 on the 2nd floor, Daisy Room, Cape Town International Convention Centre 2 (CTICC2), corner of Heerengracht and Rua Bartholomeu Dias, Foreshore, Cape Town, South Africa on Friday 24 August 2018 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
<b>Ordinary resolutions</b>			
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 M R Sorour as a non-executive director			
5. To elect the following directors:			
5.1 C L Enenstein			
5.2 D G Eriksson			

	In favour of	Against	Abstain
5.3 H J du Toit			
5.4 G Liu			
5.5 R Oliveira de Lima			
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. To approve the implementation of the remuneration policy as set out in the remuneration report			
9. Approval of general authority placing unissued shares under the control of the directors			
10. Approval of general issue of shares for cash			
11. Authorisation to implement all resolutions adopted at the annual general meeting			
<b>Special resolution number 1</b>			
Approval of the remuneration of the non-executive directors			
Proposed financial year 31 March 2020:			
1.1 Board – chair			
1.2 Board – member			
1.3 Audit committee – chair			
1.4 Audit committee – member			
1.5 Risk committee – chair			
1.6 Risk committee – member			
1.7 Human resources and remuneration committee – chair			
1.8 Human resources and remuneration committee – member			
1.9 Nomination committee – chair			
1.10 Nomination committee – member			
1.11 Social and ethics committee – chair			
1.12 Social and ethics committee – member			
1.13 Trustees of group share schemes/other personnel funds			

## Form of proxy

continued

	In favour of	Against	Abstain
<b>Special resolution number 2</b> Approve generally the provision of financial assistance in terms of section 44 of the Act			
<b>Special resolution number 3</b> Approve generally the provision of financial assistance in terms of section 45 of the Act			
<b>Special resolution number 4</b> General authority for the company or its subsidiaries to acquire N ordinary shares in the company			
<b>Special resolution number 5</b> 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).

The shareholder **must provide direction** to his/her proxyholder (unless the proxy is provided to the chair); failure to so comply will be deemed to authorise the chair to vote in favour of the resolutions.

Signed at..... on this ..... day of ..... 2018

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 not delegate the proxy's authority to act on behalf of the shareholder to another person, other than to the chair.
  - 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 not entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction.
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 22 August 2018, 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 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.

## 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.

## Shareholder and corporate information

### **Administration and corporate information**

#### **Company secretary**

Gillian Kisbey-Green  
MultiChoice City  
144 Bram Fischer Drive  
Randburg 2194  
South Africa  
Companysecretariat@naspers.com  
Tel: +27 (0)11 289 3032

#### **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 BuyDIRECT™ plan for Naspers Limited.

For additional information, visit Bank of New York Mellon's website at [www.globalbuydirect.com](http://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 BuyDIRECT™  
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**

Werkmans 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**

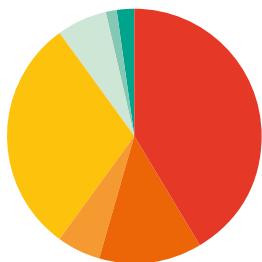
Meloy Horn  
[InvestorRelations@naspers.com](mailto:InvestorRelations@naspers.com)  
Tel: +27 (0)11 289 3320  
Fax: +27 (0)11 289 3026

## Analysis of shareholders and shareholders' diary

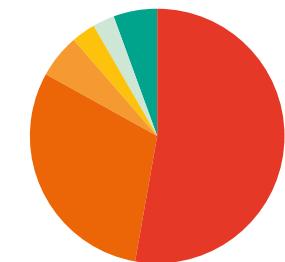
### Analysis of N ordinary shareholders

Size of holdings	Number of shareholders	Number of N ordinary shares owned
1 – 100 shares	59 299	2 025 926
101 – 1 000 shares	23 707	7 291 763
1 001 – 5 000 shares	3 243	7 011 763
5 001 – 10 000 shares	678	4 824 245
More than 10 000 shares	1 460	417 502 362
	<b>88 387</b>	<b>438 656 059</b>

### GEOGRAPHIC SPREAD



### SHAREHOLDER TYPES



The following shareholders hold 5% or 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	13.72	60 201 787

### 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 Listings Requirements at 31 March 2018 was 97.01%, represented by 88 376 shareholders holding 425 576 963 N ordinary shares in the company. The non-public shareholders of the company comprising 11 shareholders representing 13 079 096 N ordinary shares are analysed as follows:

Category	% of N ordinary issued share capital	Number of N ordinary shares
Naspers share-based incentive schemes	0.72	3 097 876
Directors	1.49	6 548 894
Group companies	0.78	3 432 326

### 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

## Naspers voting control structure

### Aim

The aim of the Naspers voting control structure is to ensure the continued independence of the group. When entering foreign countries in the broad media or communications spheres, and when dealing with regulators, it is critical that we give an assurance of our continuity of identity: in other words, that we will not, after we have entered a territory or secured a licence, be taken over by unknown entities with whom the country or regulator may be uncomfortable. We believe that this assurance of independence and continuity is critical for our entry into, and operation in, many markets.

### International

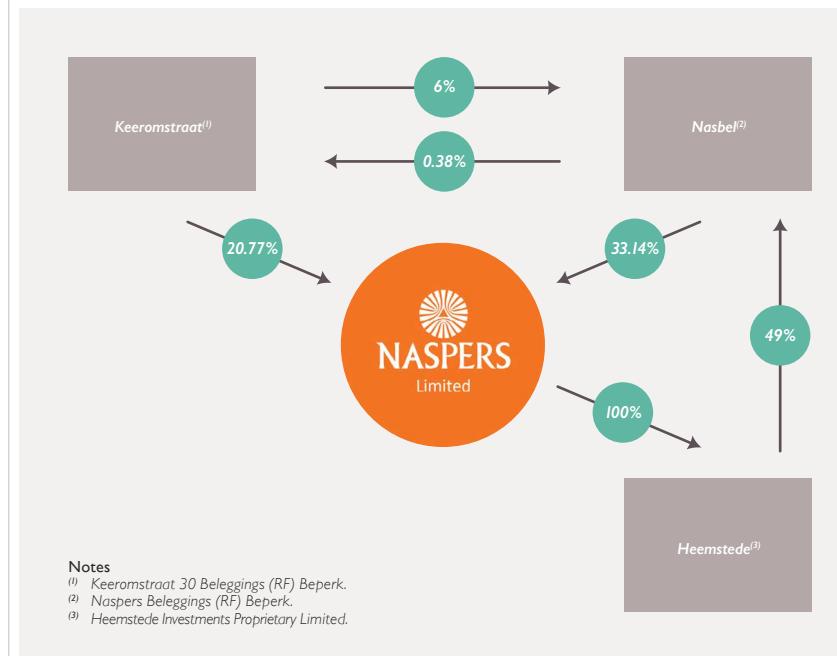
Differentiated voting rights and control structures are commonly used in the media and internet sectors to secure independence and deter raids and efforts to seize control. Many international media and technology companies have differentiated rights or control structures. Some more well-known examples include: Schibsted and Tele2 in Norway, Altice in the Netherlands, MTG in Sweden, Daily Mail & General Trust in the United Kingdom, JD.Com and Alibaba in China, and Alphabet (Google), Facebook, LinkedIn, 21st Century Fox, News Corporation, Discovery, Liberty Global, Snap Inc., Zillow and Zynga in the United States. In recent times many internet and tech companies in particular have implemented similar structures.

### Structure

The issued share capital of Naspers comprises two classes of shares:

- N ordinary shares, that have one vote per share and are listed on the JSE Limited (the JSE). As at 31 March 2018 there are **438 656 059** N ordinary shares in issue, and
- Unlisted A ordinary shares, that have 1 000 votes per share, but have relatively insignificant economic participation. (The dividends declared to A ordinary shareholders are equal to one fifth of the dividends per share to which N ordinary shareholders are entitled.) As at 31 March 2018 there are **907 128** A ordinary shares in issue.

A majority of A ordinary shares is held by two companies that together comprise the control structure of Naspers. The effective voting interests of these two companies are shown in this diagram:



Keerom<sup>(1)</sup> and Nasbel<sup>(2)</sup> hold such A ordinary shares that together they control more than 50% (currently 53%) of the voting rights in Naspers. These two companies exercise such rights in consultation with one another. No other entities are part of the control structure.

Keerom has 2 846 shareholders and its constitutional documents provide that no shareholder is entitled to exercise more than 50 votes regardless of shareholding.

Nasbel has 2 614 shareholders, one of which is Heemstede<sup>(3)</sup> (which is a subsidiary of Naspers) that holds 49% of the shares in Nasbel.

The board of directors of Keerom and the board of directors of Nasbel operate independently.

### History

The voting control structure has been in place since the original listing of the Naspers group on the JSE more than two decades ago. It was approved by the Naspers shareholders and the JSE and is entrenched in the Naspers memorandum of incorporation.



**Naspers Limited**  
+27 (0)21 406 2121  
40 Heerengracht  
Cape Town  
8001  
South Africa

[www.naspers.com](http://www.naspers.com)

