

## Commentary

Our businesses continued to deliver strong growth for the six months to 30 September 2014, with revenues measured on an economic-interest basis (including our proportionate share of associates and joint ventures) expanding by 30% year on year. During the period we made solid progress in building our ecommerce and pay-television platforms. Core headline earnings increased by 24%.

In ecommerce we are investing in formats such as etail (online retail), classifieds and payments. These are proven winners for customers and gaining market share from other formats. We aim to build leading positions in markets that we believe have the potential to grow significantly faster than mature economies in the years ahead. Execution capacity and operations are strengthening throughout the group and the focus is on customer satisfaction, engagement and retention.

Our online classifieds footprint now covers about 40 countries, all showing good user and listings growth. An agreement was concluded with Schibsted, subject to regulatory approval, covering key classifieds assets in Latin America and South East Asia that should enhance our consumer proposition and improve the outlook to our classifieds platforms in these regions.

In many of our etail businesses, revenue growth is accelerating.

In our pay-television segment the digital terrestrial television (DTT) network is now largely in place. The DTT subscriber base is increasing steadily, and we are well placed to realise DTT growth prospects once analogue switch-offs occur in sub-Saharan Africa. We are focused on delivering a differentiated content offering and unique services to our DTT customers.

With our internet and ecommerce businesses growing ahead of pay television and print, 72% of revenues, measured on an economic-interest basis, are now earned offshore. Internet revenues make up 58% of total group revenues.

## FINANCIAL REVIEW

Revenue on an economic-interest basis was up 30% year on year. Consolidated revenues for the period were R34,4bn, 20% higher than last year driven by growth in the ecommerce and pay-television segments.

Tencent concluded its transaction with JD.com, resulting in a transfer of ecommerce revenues and related development costs to JD.com. Prior year numbers included higher ecommerce revenues and development costs, resulting in improved year-on-year profitability. Tencent is performing well and contributed R6,2bn to core headline earnings. This is a stronger than expected performance. Tencent has since concluded a number of additional strategic investments and will continue investing in developing additional products and services with a strong mobile focus.

Impacted by geopolitical issues, Mail.ru recorded weaker advertising revenues. Nevertheless, it contributed R528m to core headline earnings, up 30% on the prior year.

Development spend measured on an economic-interest basis increased by 42% to R4,4bn, driven by increased spend in the etail (including increased shareholdings in Souq and Flipkart) and payment businesses to scale and expand market share. Our online classifieds footprint is also larger compared to the prior year, which carries higher development costs. Larger markets in which we are investing include India, Brazil and Indonesia. The ramp up in development spend began in the second half of last year and we expect the year-on-year increase for the second half of this fiscal to be lower.

Our pay-television segment grew trading profit by 11% to R5bn on the back of good subscriber growth and after taking into account development spend of R642m incurred on DTT and online video initiatives.

Net interest expense on borrowings rose 55% to R787m, largely due to drawdowns on the revolving credit facility to fund new acquisitions and development spend, a weaker rand and the US\$1bn bond issued in July 2013.

Consolidated net gearing remained low at 29%, while Moody's recently reaffirmed its investment-grade rating of Baa3 for our bonds.

Our share of equity-accounted results increased to R9,9bn and includes once-off gains on the remeasurement of Mail.ru's interest in VK.com and the sale of Mail.ru's shares in Qiwi amounting to R3,87bn, as well as R887m representing our share of the gain realised by Tencent on the sale of investments.

Tax expense increased to R1,75bn due to higher profits in pay television, the Allegro marketplace and the online price-comparison businesses.

The growth in revenue and increased earnings contribution from Tencent, Mail.ru, pay-television and some ecommerce assets is partially offset by expanded development spend, resulting in core headline earnings growing 24% to R6,1bn.

Free cash outflow of R428m was recorded due to higher development spend, capex to build our DTT footprint and in-country pay-television production facilities in East and West Africa. Also making an impact is the higher tax charge. Working capital in the etail businesses remains well managed.

The second half of the year is traditionally the most active part of the year for most of our businesses and we expect some pickup in development spend as we capitalise on the holiday season. This could result in lower core headline earnings for that period.

No forecasts in this interim report have been reviewed or reported on by the company's external auditor.

## SEGMENTAL REVIEW

This segmental review includes our consolidated subsidiaries plus a proportionate consolidation of associated companies and joint ventures.

### Internet

Our internet businesses remain the fastest-growing part of the group. Segment revenues were up 44% to R35,8bn. Within the internet segment, ecommerce grew at 43%, reporting revenues of R12,1bn. A strong performance by Tencent, partially offset by higher development spend in our own ecommerce businesses, resulted in a 67% increase in trading profit to R6,5bn.

### Tencent

Tencent revenues were RMB38,1bn, up 37% year on year. This is a solid performance in a highly competitive market.

Increasing smartphone penetration and a growing Weixin base resulted in strong mobile revenue growth. Tencent also recorded a good pickup in advertising revenues, driven by video and performance-based social advertising. Weixin, known as WeChat internationally, increased monthly active users by 39% to 468m active accounts year on year.

Weixin enhances community and payment functionality and connects these capabilities with strategic partners. Tencent has continued to enrich its online-to-offline ecosystem through investments linked to tie-ups on its Weixin and other platforms. The ever-expanding range of products and services offered via smartphones bodes well for Tencent's future.

### Mail.ru

A challenging economic environment that affected advertising revenues in particular and a weakening rouble have slowed Mail.ru's top-line growth to 22%. Revenues were RUB15,1bn in the first six months. The online games business performed relatively well despite the economic climate. The acquisition of the remaining shares in VK.com will allow Mail.ru to consolidate its leading position in the social network market in Russia.

### Ecommerce

We are pleased with progress to date in our fastest-growing segment. Organic growth resulted in revenues for the period increasing by 43% to R12,1bn. The segment reported a trading loss of R2,4bn after incurring development spend of R3,6bn.

We stepped up our classifieds efforts to focus on 40 markets globally. Average daily new listings and daily active users on our sites in the second quarter of the financial year were 796 000 (+85%) and 16m (+73%), respectively. Globally about 42% of our traffic comes from mobile and, in some markets, it is as high as 81%. Continued improvement of our offering and focus on the customer resulted in a steady increase in engagement. Following recent brand migrations, the majority of our sites now operate under the OLX banner. Competition remains aggressive, but we have outgrown our competitors on the measures that matter most.

Our e-tail businesses are growing rapidly, with revenues on an economic-interest basis increasing by 65% year on year. Flipkart in India recorded a significant acceleration in its growth rates, driven by category expansion, exclusive supply and a differentiated logistics and fulfilment proposition on the ground. Souq in the Middle East is also scaling well. We are seeing meaningful increases in organic traffic in most of our markets as we deliver compelling customer propositions and scale our platforms. In South Africa the planned merger of Kalahari and Takealot will place the business on a better footing.

In our payment business, PayU, our new senior management team continues to strengthen talent across the business. We are transforming five existing regional payment businesses into one global company with a single brand and common supporting infrastructure, similar to the way in which we scaled our classifieds businesses. Daily payment transactions have increased 70% year on year. We will continue to grow our payment service provider business and are laying the groundwork for an innovative consumer electronic wallet or e-wallet business.

Allegro, our large marketplace business, is improving top-line growth rates. Given the scale benefits of this platform, we have maintained high EBITDA margins. We continue to build our business, augmenting and increasing our consumer offerings and capabilities as well as our mobile products.

After consolidating our online price-comparison business under a single legal and management structure, we now operate the world's largest price-comparison business. The business is profitable and should continue to expand margins as it grows and leverages its scale.

The travel business in India is growing rapidly and outpacing competition by a significant margin. Based on the number of online transactions, it is already the largest online travel platform in India. Other online service businesses in Brazil are being developed, where Mobile again delivered good results. Its Brazilian online food-ordering business, iFood, is scaling well, boosted by a merger with Just Eat's Brazilian subsidiary.

#### Pay television

This segment reported revenues of R20,2bn, growing 18% year on year. Trading profit of R5bn increased at a lower 11% due to investments to build DTT and online services and expand the local content offering.

The total subscriber base grew by 342 000 during the six months to over 8,4m households.

MultiChoice now operates DTT in 11 countries and has around 873 000 subscribers. We continue to scale our transmission platform and place decoders in markets where we expect analogue switch-offs in the foreseeable future. These switch-offs, once implemented, should provide momentum for further subscriber growth.

We continue to invest in local content and regional production hubs were established in Nigeria and Kenya. In South Africa we celebrated the significant milestone of over R1bn invested in local content in the past year.

Additional transponder capacity was purchased from Eutelsat and Intelsat to strengthen backup capacity and provide for future expansion of services.

Our customers rent some 600 000 movies per month on our *BoxOffice* service and we will soon expand this service into sub-Saharan Africa. The personal video recorder (PVR) base has also expanded to nearly 1,2m subscribers. We continue to invest in our online products and offerings.

An agreement to sell MWEB's infrastructure and business services to Dimension Data was signed. This will allow us to focus on consumer offerings instead of infrastructure. As part of the agreement, we will take a minority stake in a wi-fi business housing the infrastructure assets of MWEB and Always On.

Regulatory environments in our markets continue to evolve. A number of reviews are under way and we continue to engage with the regulatory authorities. With growing competition in sub-Saharan Africa, we are adding to our already-strong content and customer offerings.

#### Print media

This segment continues to face tough trading conditions and large-scale structural changes to the industry.

Revenues grew slightly but margins contracted further due to accelerated investment in digital solutions and new growth areas to diversify the revenue base. We will continue to adjust our structure and cost base to the challenging business reality.

#### DIRECTORATE

As previously reported, Steve Pacak (financial director) retired on 30 June 2014, but remained on the board as an alternate non-executive director. Basil Sgourdos was appointed to the board as financial director effective 1 July 2014.

#### PREPARATION OF THE INTERIM REPORT

The preparation of the interim report was supervised by the financial director, Basil Sgourdos CA(SA). These results were made public on 25 November 2014.

On behalf of the board

**Ton Vosloo**  
Chair

**Bob van Dijk**  
Chief executive

Cape Town  
25 November 2014

	Revenue				EBITDA				Trading profit			
	Six months ended			Year ended	Six months ended			Year ended	Six months ended			Year ended
	30 September				30 September				30 September			
	2014	2013	%	2014	2014	2013	%	2014	2014	2013	%	2014
	Reviewed	Reviewed	Change	Audited	Reviewed	Reviewed	Change	Audited	Reviewed	Reviewed	Change	Audited
	R'm	R'm		R'm	R'm	R'm		R'm	R'm	R'm		R'm
Internet	35 817	24 887	44	57 018	7 619	4 748	60	8 540	6 477	3 879	67	6 638
- Tencent	22 370	15 285	46	34 256	9 126	5 839	56	12 232	8 248	5 192	59	10 792
- Mail.ru	1 306	1 100	19	2 407	714	601	19	1 286	655	546	20	1 175
- Ecommerce	12 141	8 502	43	20 355	(2 221)	(1 692)	(31)	(4 978)	(2 426)	(1 859)	(31)	(5 329)
Pay television	20 186	17 077	18	36 271	6 000	5 375	12	10 370	4 969	4 477	11	8 520
Print media	5 979	5 642	6	11 692	269	408	34	1 073	8	214	(96)	606
Corporate services	-	-	-	-	(96)	(63)	(52)	(150)	(98)	(64)	(53)	(151)
Segment	61 982	47 606	30	104 981	13 792	10 468	32	19 833	11 356	8 506	34	15 613
Less: Equity-accounted investments	(27 619)	(18 851)	47	(42 253)	(9 613)	(6 336)	52	(13 442)	(8 558)	(5 580)	53	(11 707)
<b>Consolidated</b>	<b>34 363</b>	<b>28 755</b>	<b>20</b>	<b>62 728</b>	<b>4 179</b>	<b>4 132</b>	<b>1</b>	<b>6 391</b>	<b>2 798</b>	<b>2 926</b>	<b>(4)</b>	<b>3 906</b>

EBITDA refers to earnings before interest, tax, depreciation and amortisation.

	Six months ended 30 September		Year ended 31 March
	2014 Reviewed	2013 Reviewed	2014 Audited
	R'm	R'm	R'm
<b>Reconciliation of trading profit to operating profit</b>			
<b>Trading profit</b>	<b>2 798</b>	2 926	3 906
Finance cost on transponder leases	182	173	356
Amortisation of intangible assets	(361)	(410)	(711)
Other gains/(losses) - net	(124)	(958)	(1 320)
Retention option expense	(124)	(74)	(132)
Equity-settled share-based charges	(118)	(36)	(81)
<b>Operating profit</b>	<b>2 253</b>	1 621	2 018

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

	Six months ended 30 September		Year ended 31 March
	2014 Reviewed	2013 Reviewed	2014 Audited
	R'm	R'm	R'm
<b>Consolidated income statement</b>			
<b>Revenue</b>	<b>34 363</b>	28 755	62 728
Cost of providing services and sale of goods	(18 751)	(15 856)	(35 416)
Selling, general and administration expenses	(13 235)	(10 320)	(23 974)
Other gains/(losses) - net	(124)	(958)	(1 320)
<b>Operating profit</b>	<b>2 253</b>	1 621	2 018
Interest received	5	206	606
Interest paid	5	(1 332)	(2 466)
Other finance income/(costs) - net	5	(82)	(267)
Share of equity-accounted results	6	9 932	10 835
- excluding net gain on disposal of investments		5 178	7 906
- net gain on disposal of investments		4 754	2 929
Impairment of equity-accounted investments		-	(1 201)
Dilution losses on equity-accounted investments		(71)	(852)
Gains on acquisitions and disposals		118	751
<b>Profit before taxation</b>	<b>11 024</b>	4 870	9 424
Taxation	7	(1 755)	(2 895)
<b>Profit for the period</b>	<b>9 269</b>	3 423	6 529
<b>Attributable to:</b>			
Equity holders of the group	<b>8 937</b>	3 112	5 751
Non-controlling interest	<b>332</b>	311	778
	<b>9 269</b>	3 423	6 529
Core headline earnings for the period (R'm)	4	6 077	8 616
Core headline earnings per N ordinary share (cents)		1 528	2 181
Fully diluted core headline earnings per N ordinary share (cents)		1 486	2 125
Headline earnings for the period (R'm)	4	4 484	5 981
Headline earnings per N ordinary share (cents)		1 128	1 514
Fully diluted headline earnings per N ordinary share (cents)		1 096	1 475
Earnings per N ordinary share (cents)		2 248	1 456
Fully diluted earnings per N ordinary share (cents)		2 185	1 418
Net number of shares issued ('000)			
- At period end		409 527	397 625
- Weighted average for the period		397 625	395 078
- Fully diluted weighted average		409 078	405 469

	Six months ended 30 September		Year ended 31 March
	2014 Reviewed	2013 Reviewed	2014 Audited
	R'm	R'm	R'm
<b>Condensed consolidated statement of comprehensive income</b>			
<b>Profit for the period</b>	<b>9 269</b>	3 423	6 529
<b>Total other comprehensive income, net of tax, for the period*</b>	<b>2 107</b>	5 313	6 727
Translation of foreign operations	888	3 750	4 910
Net fair value gains/(losses)	4	-	(7)
Cash flow hedges	123	(34)	(204)
Share of other comprehensive income and reserves of equity-accounted investments	1 116	1 561	1 951
Tax on other comprehensive income	(24)	36	77
<b>Total comprehensive income for the period</b>	<b>11 376</b>	8 736	13 256
<b>Attributable to:</b>			
Equity holders of the group	<b>11 103</b>	8 372	12 492
Non-controlling interest	<b>273</b>	364	764
	<b>11 376</b>	8 736	13 256

\* All components of other comprehensive income may subsequently be reclassified to profit or loss, except for R611m (2013: R365m and 31 March 2014: R552m) included in the share of other comprehensive income and reserves of equity-accounted investments.

	Six months ended 30 September		Year ended 31 March
	2014 Reviewed	2013 Reviewed	2014 Audited
	R'm	R'm	R'm
<b>Condensed consolidated statement of changes in equity</b>			
<b>Balance at beginning of the period</b>	<b>68 205</b>	55 853	55 853
<b>Changes in share capital and premium</b>			
Movement in treasury shares	1 813	(245)	(17)
Share capital and premium issued	234	304	1 293
<b>Changes in reserves</b>			
Total comprehensive income for the period	11 103	8 372	12 492
Movement in share-based compensation reserve	347	214	487
Movement in existing control business combination reserve	(225)	(52)	(340)
Direct retained earnings movements	-	-	23
Dividends paid to Naspers shareholders	(1 702)	(1 525)	(1 526)
<b>Changes in non-controlling interest</b>			
Total comprehensive income for the period	273	364	764
Dividends paid to non-controlling shareholders	(1 264)	(1 034)	(1 142)
Movement in non-controlling interest in reserves	378	237	318
<b>Balance at end of the period</b>	<b>79 162</b>	62 488	68 205
<b>Comprising:</b>			
Share capital and premium	18 385	15 120	16 337
Retained earnings	39 205	29 310	31 971
Share-based compensation reserve	5 817	4 576	5 082
Existing control business combination reserve	(1 068)	(733)	(1 065)
Hedging reserve	(176)	(155)	(262)
Valuation reserve	3 513	2 817	3 005
Foreign currency translation reserve	12 047	9 874	11 085
Non-controlling interest	1 439	1 679	2 052
<b>Total</b>	<b>79 162</b>	62 488	68 205

	30 September		31 March
	2014 Reviewed	2013 Reviewed	2014 Audited
	R'm	R'm	R'm
<b>Condensed consolidated statement of financial position</b>			
<b>Assets</b>			
<b>Non-current assets</b>	<b>116 650</b>	90 304	100 212
Property, plant and equipment	17 280	15 644	17 053
Goodwill	25 935	24 609	25 811
Other intangible assets	5 767	5 738	5 702
Investments in associates	64 063	41 364	47 755
Investments in joint ventures	1 719	838	1 727
Investments and loans	742	1 119	1 193
Derivative financial instruments	30	16	2
Deferred taxation	1 114	976	969
<b>Current assets</b>	<b>36 524</b>	30 965	28 390
Inventory	4 204	2 486	2 882
Programme and film rights	3 955	3 147	1 979
Trade receivables	4 983	5 007	4 849
Other receivables and loans	10 518	3 530	4 807
Derivative financial instruments	219	501	209
Cash and cash equivalents	12 061	16 262	13 664
	35 940	30 933	28 390
Assets classified as held-for-sale	584	92	-
<b>Total assets</b>	<b>153 174</b>	121 269	128 602
<b>Equity and liabilities</b>			
<b>Share capital and reserves</b>	<b>77 723</b>	60 809	66 153
Share capital and premium	18 385	15 120	16 337
Other reserves	20 133	16 379	17 845
Retained earnings	39 205	29 310	31 971
Non-controlling shareholders' interest	1 439	1 679	2 052
<b>Total equity</b>	<b>79 162</b>	62 488	68 205
<b>Non-current liabilities</b>	<b>42 052</b>	36 223	36 549
Capitalised finance leases	7 026	6 730	6 768
Liabilities - interest bearing	32 842	27 225	27 395
- non-interest bearing	452	463	452
Post-employment medical liability	182	173	176
Derivative financial instruments	317	336	364
Deferred taxation	1 233	1 296	1 394
<b>Current liabilities</b>	<b>31 960</b>	22 558	23 848
Current portion of long-term debt	2 826	2 192	2 628
Trade payables	6 448	5 669	5 318
Accrued expenses and other current liabilities	20 529	12 245	13 981
Derivative financial instruments	842	875	840
Bank overdrafts and call loans	1 306	1 577	1 081
	31 951	22 558	23 848
Liabilities classified as held-for-sale	9	-	-
<b>Total equity and liabilities</b>	<b>153 174</b>	121 269	128 602
Net asset value per N ordinary share (cents)	<b>18 979</b>	15 360	16 637

	Six months ended		Year ended
	30 September		31 March
	2014	2013	2014
	Reviewed	Reviewed	Audited
	R'm	R'm	R'm
<b>Condensed consolidated statement of cash flows</b>			
<b>Cash flows from operating activities</b>			
Cash generated from operating activities	2 490	3 904	7 383
Interest income received	208	261	734
Dividends received from equity-accounted companies	1 048	833	841
Interest costs paid	(1 139)	(810)	(2 365)
Taxation paid	(2 086)	(1 590)	(3 319)
<b>Net cash generated from operating activities</b>	<b>521</b>	<b>2 598</b>	<b>3 274</b>
<b>Cash flows from investing activities</b>			
Acquisitions and disposals of tangible and intangible assets	(1 435)	(1 978)	(4 442)
Acquisitions and disposals of subsidiaries, associates and joint ventures	(3 332)	(3 127)	(4 434)
Cash movement in other investments and loans	323	895	840
<b>Net cash utilised in investing activities</b>	<b>(4 444)</b>	<b>(4 210)</b>	<b>(8 036)</b>
<b>Net cash generated from financing activities</b>	<b>1 729</b>	<b>1 552</b>	<b>2 114</b>
<b>Net movement in cash and cash equivalents</b>	<b>(2 194)</b>	<b>(60)</b>	<b>(2 648)</b>
Foreign exchange translation adjustments	366	515	1 001
Cash and cash equivalents at beginning of the period	12 583	14 230	14 230
<b>Cash and cash equivalents at end of the period</b>	<b>10 755</b>	<b>14 685</b>	<b>12 583</b>

#### Notes to the interim financial results

##### 1. General information

Principal activities of Naspers and its operating subsidiaries, joint ventures and associated companies (collectively "the group") are the operation of internet and media platforms. Our principal operations are in ecommerce and other internet services, pay-television services and print media.

##### 2. Basis of presentation and accounting policies

The interim report is prepared in accordance with International Financial Reporting Standard (IAS) 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

The accounting policies used in preparing the interim results are consistent with those applied in the previous annual financial statements.

The group has adopted all new and amended accounting pronouncements issued by the International Accounting Standards Board (IASB) that are effective for financial years commencing 1 April 2014. None of the new or amended accounting pronouncements that are effective for the financial year commencing 1 April 2014 are expected to have a material impact on the group.

Trading profit excludes amortisation of intangible assets (other than software), equity-settled share-based charges, retention option expenses and other gains/losses, but includes the finance cost on transponder leases.

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

##### 3. Review by the independent auditor

This interim report has been reviewed by the company's auditor, PricewaterhouseCoopers Inc., whose unqualified report appears at the end of this interim report. The auditor's report does not necessarily cover all information contained in this interim report.

##### 4. Headline and core headline earnings

	Six months ended		Year ended
	30 September		31 March
	2014	2013	2014
	Reviewed	Reviewed	Audited
	R'm	R'm	R'm
<b>Calculation of headline and core headline earnings</b>			
<b>Net profit attributable to shareholders</b>	<b>8 937</b>	<b>3 112</b>	<b>5 751</b>
<i>Adjusted for:</i>			
- impairment of property, plant and equipment and other assets	148	24	112
- impairment of goodwill and intangible assets	24	1 063	1 461
- profit on sale of property, plant and equipment and intangible assets	(3)	(99)	(58)
- gains on acquisitions and disposals of investments	(107)	(111)	(45)
- remeasurement of previously held interest	(36)	(516)	(700)
- dilution losses on equity-accounted investments	71	836	852
- remeasurements included in equity-accounted earnings	(4 534)	(1 286)	(2 447)
- impairment of equity-accounted investments	-	753	1 201
	<b>4 500</b>	<b>3 776</b>	<b>6 127</b>
Total tax effects of adjustments	(4)	(103)	(81)
Total adjustment for non-controlling interest	(12)	(32)	(65)
<b>Headline earnings</b>	<b>4 484</b>	<b>3 641</b>	<b>5 981</b>

##### 4. Headline and core headline earnings continued

	Six months ended		Year ended
	30 September		31 March
	2014	2013	2014
	Reviewed	Reviewed	Audited
	R'm	R'm	R'm
<b>Calculation of headline and core headline earnings</b>			
<b>Headline earnings</b>	<b>4 484</b>	<b>3 641</b>	<b>5 981</b>
<i>Adjusted for:</i>			
- equity-settled share-based charges	587	429	1 120
- (recognition)/reversal of deferred tax assets	-	(49)	58
- amortisation of intangible assets	741	690	1 385
- fair value adjustments and currency translation differences	135	125	(47)
- retention option expense	109	72	128
- business combination losses/(gains)	21	12	(9)
<b>Core headline earnings</b>	<b>6 077</b>	<b>4 920</b>	<b>8 616</b>

##### 5. Interest received/(paid)

	Six months ended		Year ended
	30 September		31 March
	2014	2013	2014
	Reviewed	Reviewed	Audited
	R'm	R'm	R'm
<b>Interest received</b>	<b>206</b>	<b>257</b>	<b>606</b>
- loans and bank accounts	176	242	456
- other	30	15	150
<b>Interest paid</b>	<b>(1 332)</b>	<b>(1 055)</b>	<b>(2 466)</b>
- loans and overdrafts	(963)	(656)	(1 717)
- transponder leases	(182)	(173)	(356)
- other	(187)	(226)	(393)
<b>Other finance income/(cost) - net</b>	<b>(82)</b>	<b>(117)</b>	<b>(267)</b>
- net foreign exchange differences and fair value adjustments on derivatives	(111)	(165)	(344)
- preference dividends received	29	48	77

##### 6. Equity-accounted results

The group's equity-accounted associated companies and joint ventures contributed to the interim financial results as follows:

	Six months ended		Year ended
	30 September		31 March
	2014	2013	2014
	Reviewed	Reviewed	Audited
	R'm	R'm	R'm
<b>Share of equity-accounted results</b>	<b>9 932</b>	<b>5 139</b>	<b>10 835</b>
- sale of assets	-	-	(19)
- sale of investments	(4 754)	(1 286)	(2 929)
- impairment of assets	239	-	532
<b>Contribution to headline earnings</b>	<b>5 417</b>	<b>3 853</b>	<b>8 419</b>
- amortisation of intangible assets	474	376	897
- equity-settled share-based charges	469	393	987
- fair value adjustments and currency translation differences	77	(72)	(181)
- (recognition)/reversal of deferred tax assets	-	(49)	35
<b>Contribution to core headline earnings</b>	<b>6 437</b>	<b>4 501</b>	<b>10 157</b>
Tencent	6 197	4 380	9 724
Mail.ru	528	405	911
Abril	-	(153)	(110)
Other	(288)	(131)	(368)



#### 7. Profit before taxation

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

	Six months ended 30 September		Year ended 31 March
	2014	2013	2014
	Reviewed R'm	Reviewed R'm	Audited R'm
<b>Depreciation of property, plant and equipment</b>	<b>1 089</b>	940	1 942
<b>Amortisation</b>	<b>472</b>	503	898
- intangible assets	<b>361</b>	410	711
- software	<b>111</b>	93	187
<b>Other gains/(losses) - net</b>	<b>(124)</b>	(958)	(1 320)
- profit on sale of property, plant and equipment and intangible assets	<b>3</b>	99	58
- impairment of goodwill and intangible assets	<b>(24)</b>	(1 063)	(1 461)
- impairment of property, plant and equipment and other assets	<b>(148)</b>	(24)	(112)
- fair value adjustments on financial instruments	<b>45</b>	30	195
<b>Gains on acquisitions and disposals</b>	<b>118</b>	614	751
- gain on sale of investments	<b>107</b>	111	44
- remeasurement of earn-out obligations	<b>-</b>	-	48
- acquisition-related costs	<b>(25)</b>	(13)	(41)
- remeasurement of previously held interest	<b>36</b>	516	700

#### 8. Goodwill

Goodwill arises on the acquisition of interests in subsidiaries and is subject to an annual impairment assessment. Movements in the group's goodwill for the period are detailed below:

	Six months ended 30 September		Year ended 31 March
	2014	2013	2014
	Reviewed R'm	Reviewed R'm	Audited R'm
<b>Goodwill</b>			
- cost	<b>29 405</b>	24 077	24 077
- accumulated impairment	<b>(3 594)</b>	(2 484)	(2 484)
<b>Opening balance</b>	<b>25 811</b>	21 593	21 593
- foreign currency translation effects	<b>(115)</b>	1 988	3 226
- acquisitions	<b>428</b>	1 701	2 003
- disposals	<b>(179)</b>	(9)	(18)
- impairment	<b>(10)</b>	(664)	(993)
<b>Closing balance</b>	<b>25 935</b>	24 609	25 811
- cost	<b>29 537</b>	27 873	29 405
- accumulated impairment	<b>(3 602)</b>	(3 264)	(3 594)

#### 9. Investments and loans

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

	Six months ended 30 September		Year ended 31 March
	2014	2013	2014
	Reviewed R'm	Reviewed R'm	Audited R'm
<b>Investments and loans</b>	<b>66 524</b>	43 321	50 675
- listed investments	<b>57 016</b>	37 417	44 194
- unlisted investments and loans	<b>9 508</b>	5 904	6 481

#### 10. 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.

	Six months ended 30 September		Year ended 31 March
	2014	2013	2014
	Reviewed R'm	Reviewed R'm	Audited R'm
<b>Commitments</b>	<b>27 424</b>	18 088	22 417
- capital expenditure	<b>425</b>	837	740
- programme and film rights	<b>16 532</b>	13 491	17 701
- network and other service commitments	<b>1 475</b>	1 244	1 530
- transponder leases	<b>6 916</b>	422	424
- operating lease commitments	<b>1 453</b>	1 577	1 413
- set-top box commitments	<b>623</b>	517	609

The group operates a number of businesses in jurisdictions where withholding taxes are payable on certain transactions or payments. In some circumstances transactions could potentially lead to withholding taxes being payable. Our current assessment of possible withholding tax exposures, including interest and potential penalties, amounts to approximately R2bn (31 March 2014: R1,6bn).

The group signed an agreement with Intelsat Satellite LLC for additional transponder capacity effective 2017, to cater for future growth in satellite services and to provide for in-orbit backup of existing capacity.

#### 11. Assets classified as held-for-sale

At 30 September 2014 the group classified the net assets of its MWEB Business, Optinet Services, Networks and Wi-fi divisions, amounting to R575m as held-for-sale. The wi-fi assets will form part of the purchase price for the group's interest in a joint venture to be established with Dimension Data. The composite transaction is expected to be completed by 31 March 2015, pending regulatory approval.

An impairment loss of R106m was recognised in the income statement as part of "Other gains/(losses) - net" with respect to this transaction.

#### 12. Business combinations and other acquisitions

Various acquisitions were made within the Mobile group during the reporting period. These acquisitions resulted in the recognition of intangible assets amounting to R139m and goodwill of R326m. The remainder of the increase in goodwill during the reporting period relates to various smaller acquisitions.

With respect to investments in associated companies, the group participated in two funding rounds of Flipkart Private Limited (Flipkart), a leading ecommerce platform in India. These funding rounds, during May and August 2014, resulted in additional investments of R555m and R2,67bn respectively in cash. The group now has a 16,63% interest in Flipkart on a fully diluted basis.

The investments were primarily funded through the utilisation of existing credit facilities.

#### 13. Financial instruments

The group's activities expose it to a variety of financial risks such as market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The interim report does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the group's annual financial statements as at 31 March 2014. There have been no material changes in the group's credit, liquidity, market risks or key inputs used in measuring fair value since 31 March 2014.

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

Recurring fair value measurements	Fair value measurements at 30 September 2014 using:		
	Quoted prices in active markets for identical assets or liabilities (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	R'm	R'm	R'm
<b>Assets</b>			
Available-for-sale investments	135	-	-
Foreign exchange contracts	-	249	-
<b>Liabilities</b>			
Foreign exchange contracts	-	30	-
Shareholders' liabilities	-	-	823
Earn-out obligations	-	-	372
Interest rate swaps	-	306	-

13. Financial instruments continued

	Fair value measurements at 31 March 2014 using:		
	Quoted prices in active markets for identical assets or liabilities (Level 1) R'm	Significant other observable inputs (Level 2) R'm	Significant unobservable inputs (Level 3) R'm
<b>Recurring fair value measurements</b>			
<b>Assets</b>			
Available-for-sale investments	120	-	-
Foreign exchange contracts	-	210	-
Interest rate swaps	-	1	-
<b>Liabilities</b>			
Foreign exchange contracts	-	66	-
Shareholders' liabilities	-	-	806
Earn-out obligations	-	-	263
Interest rate swaps	-	332	-

The fair values of level 2 and 3 instruments are measured as follows:

- *Foreign exchange contracts* - market observable quotes of forward foreign exchange rates on instruments that have a similar maturity profile.
- *Interest rate swaps* - discounted cash flow techniques using only market observable information.
- *Shareholders' liabilities* - option pricing models and discounted cash flow techniques. Significant inputs include: fair values of underlying shares, strike prices, risk-free interest rates, calculated volatilities and the period to exercise.
- *Earn-out obligations* - discounted cash flow techniques. Key inputs include: forecasts of the extent to which performance criteria are expected to be met, discount rates and contractually specified earn-out payments.

A reconciliation of the movement in the carrying value of level 3 fair value measurements is provided below:

	30 September 2014	
	Share-holders' liabilities R'm	Earn-out obligations R'm
Opening balance at 1 April 2014	806	263
Total (gains)/losses in the income statement	(21)	3
Issues	-	90
Foreign currency translation effects	38	16
<b>Closing balance at 30 September 2014</b>	<b>823</b>	<b>372</b>

**Directors**

T Vosloo (chair), B van Dijk (chief executive), C L Enestein, D G Eriksson, F-A du Plessis, R C C Jaftha, F L N Letele, Y Ma, D Meyer, R Oliveira de Lima, T M F Phaswana, V Sgourdos, J D T Stofberg, B J van der Ross, J J M van Zyl

**Alternate directors**

S J Z Pacak, M R Sorour

**Company secretary**

G Kisbey-Green

**Registered office**

40 Heerengracht, Cape Town 8001  
(PO Box 2271, Cape Town 8000)

**Transfer secretaries**

Link Market Services South Africa Proprietary Limited  
13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein 2001  
(PO Box 4844, Johannesburg 2000)

**Sponsor**

Investec Bank Limited

**ADR programme**

Bank of New York Mellon maintains a GlobalBuyDIRECT™ plan for Naspers Limited. For additional information, please visit Bank of New York Mellon's website at [www.globalbuydirect.com](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 - GlobalBuyDIRECT™, Church Street Station, PO Box 11258, New York, NY 10286-1258, USA.

**Important information**

The 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. While these forward-looking statements represent our judgements and future expectations, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations. These include factors that could adversely affect our businesses and financial performance. We are not under any obligation to (and expressly disclaim any such obligation to) update or alter our forward-looking statements, whether as a result of new information, future events or otherwise. Investors are cautioned not to place undue reliance on any forward-looking statements contained herein.

13. Financial instruments continued

	31 March 2014	
	Share-holders' liabilities R'm	Earn-out obligations R'm
Opening balance at 1 April 2013	704	185
Total gains in the income statement	(145)	(13)
Issues	284	155
Settlements	(82)	(91)
Foreign currency translation effects	45	27
<b>Closing balance at 31 March 2014</b>	<b>806</b>	<b>263</b>

The group discloses the fair values of the following financial instruments as their carrying values are not a reasonable approximation of their fair values:

Financial liabilities	30 September 2014	
	Carrying value R'm	Fair value R'm
Loans from non-controlling shareholders	485	592
Capitalised finance leases	7 600	7 636
Publicly traded bonds	19 222	20 963

Financial liabilities	31 March 2014	
	Carrying value R'm	Fair value R'm
Loans from non-controlling shareholders	480	478
Capitalised finance leases	7 277	7 074
Publicly traded bonds	17 784	19 706

14. Events after the reporting period

Subsequent to the end of the reporting period, the group entered into an agreement with Takealot Online (RF) Proprietary Limited (Takealot) for the merger of the group's Kalahari business with Takealot. The transaction is subject to regulatory approval.

The group also invested a further US\$27m in its joint venture Konga Online Shopping Limited (Konga), a leading retail platform in Nigeria, during October 2014 in cash. The group now has a 40,22% interest in Konga on a fully diluted basis.

During November 2014, Naspers, Schibsted Media Group, Telenor Holdings and Singapore Press Holdings entered into an agreement to establish joint ventures for the development of their online classifieds platforms in Brazil, Indonesia, Thailand and Bangladesh. The transactions are subject to European Union approvals.



## INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL STATEMENTS

*To the Shareholders of Naspers Limited*

We have reviewed the condensed consolidated interim financial statements of Naspers Limited in the accompanying interim report, which comprise the condensed consolidated statement of financial position as at 30 September 2014 and the related consolidated income statement and condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-months then ended, and selected explanatory notes.

*Directors' Responsibility for the Interim Financial Statements*

The directors are responsible for the preparation and presentation of these interim financial statements in accordance with the International Financial Reporting Standard, (IAS) 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express a conclusion on these interim financial statements. We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these interim financial statements.

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements of Naspers Limited for the six months ended 30 September 2014 are not prepared, in all material respects, in accordance with the International Financial Reporting Standard, (IAS) 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

*Other Matter*

We have not reviewed future financial performance and expectations expressed by the directors included in the commentary in the accompanying interim financial statements and accordingly do not express an opinion thereon.

PricewaterhouseCoopers Inc.  
Director: Brendan Deegan  
Registered Auditor  
Cape Town  
25 November 2014

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Africa Senior Partner: S P Kana  
Management Committee: H Boegman, T P Blandin de Chalaïn, B M Deegan, J G Louw, S N Madikane, P J Mothibe, T D Shango, S Subramoney, A R Tilakdari, F Tonelli  
Western Cape region – Partner in charge: D J Fölscher  
The Company's principal place of business is at 2 Eglïn Road, Sunninghill where a list of directors' names is available for inspection.  
Reg. no. 1998/012055/21, VAT reg.no. 4950174682