

Chair's review

Naspers tries to create value by improving people's lives around the world. We do it by backing entrepreneurs and new technologies that address societal needs.

This year we made some significant changes in our business, notably unbundling our Video Entertainment business to create a standalone African entertainment powerhouse, MultiChoice Group, and announcing our intention to list our international internet assets on Euronext Amsterdam. We are now a pure global consumer internet company that is ready to further transform.

Creating sustainable value

At heart, we are entrepreneurs who want to have a positive impact on the world.

We aim to change people's lives for the better by backing people, technology and businesses that meet fundamental human needs. We focus on creating sustainable, all-round value for our different stakeholders. We measure and report on this value across the six capitals: financial, human, intellectual, manufacturing, social and relationship, and natural capital.

We also support the United Nations' Sustainable Development Goals (SDGs) and are working to identify and focus on the SDGs our business aligns with – the ones where we can make the biggest positive difference. Through this report we highlight examples of our impact against these SDGs.

Sharing a strong culture

Our commitment to creating sustainable value is reinforced by our culture. Across our wide-ranging businesses, we share the same entrepreneurial spirit and pride in performance. This culture reflects our purpose and is key to our employees' engagement, retention and productivity.

Investing in South Africa

Our ongoing commitment to South Africa was demonstrated this year in a number of ways.

Through Naspers Foundry, we have allocated R1.4bn to invest in South African startups over the next three years. This complements R3.2bn already committed to our existing South African businesses. In addition, through Naspers Labs, we are piloting an innovative programme designed to help address South Africa's youth unemployment crisis. We also contributed significantly in terms of tax. In total, Naspers group paid R6.9bn in taxes in South Africa during the year.

Working together to succeed

Our growth and success depends above all on the commitment and contributions of everyone in Naspers. On behalf of the board, I thank all our people.

Our executives, led by Bob van Dijk, continued to implement our strategy with energy and skill.

Board members provided valuable guidance and support during a year that demanded an unusual number of meetings.

We also recognise the contributions of our many partners and suppliers, as well as collaboration with governments and regulatory bodies in numerous countries.

Ensuring good governance

We are committed to good governance. As a multinational group, our risks differ depending on local jurisdictions, market dynamics, culture and opportunities. We try to manage all these risks rigorously. More information appears 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 page 52.

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



Koos Bekker
Chair

PROPOSED DIVIDEND

715 SA cents

715 SA cents (previously 650 SA cents) per listed N ordinary share, and 143 SA cents (previously 130 SA cents) per unlisted A ordinary share.

The board is informed of subsidiary activities via a disciplined reporting structure. Strategies and business plans for financial and non-financial elements of operations are regularly reviewed. Part of management's remuneration is based on performance against financial and operational targets as well as against individual and group objectives linked to strategic objectives.

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

“Throughout its long history, Naspers has kept changing. Change is a core characteristic of our entrepreneurial spirit and critical to our ongoing growth.”

Chair's review *continued*

“This has been a landmark year of growth and transformation for Naspers.”

Board changes

Having reached the age of 73 and after several years of valuable contributions to the Naspers board, Guijin Liu has stepped down from the board effective 25 February 2019. The board expressed its gratitude to Guijin Liu.

As a consequence of the listing of MultiChoice Group on the JSE in South Africa on 27 February 2019, and the subsequent unbundling of the Video Entertainment business to Naspers shareholders, Nolo Letele became a non-executive director.

Furthermore, we announced on 6 May 2019 that Manisha Girotra will be appointed as an independent non-executive director after the listing of Naspers's subsidiary Prosus on Euronext Amsterdam (with a secondary listing on the JSE), which is expected to be in September 2019. Manisha will also serve on the board of Prosus, and as a member of the Naspers and Prosus audit committees.

As per the company's memorandum of incorporation, one third of non-executive directors retire annually and reappointment is not automatic. Debra Meyer, Steve Pacak, Cobus Stofberg, Ben van der Ross and I retire by rotation at the annual general meeting but, being eligible, offer ourselves for re-election. At this meeting, shareholders will be asked to consider the re-election of these directors (see notice on page 94).

Don Eriksson, Ben van der Ross and Rachel Jafta are members of the audit committee. The board recommends to shareholders that they be reappointed to this committee. This is 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 56 and 57.

Dividend (in South African cents)

The board recommends that the annual gross dividend be increased by 10% to 715 cents (previously 650 cents) per listed N ordinary share, and 143 cents (previously 130 cents) per unlisted A ordinary share.

If confirmed by shareholders at the annual general meeting on 23 August 2019, dividends will be payable to shareholders recorded in the books on Friday 13 September 2019 and paid on Monday 16 September 2019.

The last date to trade cum dividend will be on Tuesday 10 September 2019 (shares trade ex-dividend from Wednesday 11 September 2019). Share certificates may not be dematerialised or rematerialised between Wednesday 11 September 2019 and Friday 13 September 2019, 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 572 cents per listed N ordinary share and 114 cents per unlisted A ordinary share to those shareholders not exempt from paying dividend tax. Dividend tax will be 143 cents per listed N ordinary share and 29 cents per unlisted A ordinary share. The issued ordinary share capital as at 21 June 2019 was 438 656 059 N ordinary shares and 907 128 A ordinary shares. The company's income tax reference number is 9550138714.

Looking ahead

This has been a lively year of growth and evolution for Naspers. On behalf of the board, I thank everyone involved and look forward to our continued journey ahead as a pure consumer internet company.



Koos Bekker
Chair

21 June 2019

Focusing on sustainability

We are working on refining and evolving our sustainability strategy in line with the United Nations' Sustainable Development Goals (SDGs). As a responsible business committed to making a lasting positive difference in the world, we want to make sure we identify and focus on the goals where we can have the greatest impact.

The next steps for us on this journey will be to define our sustainability objectives; identify the key SDGs where we have the greatest impact; set key performance indicators; and measure our success and impact in relation to sustainability.

The global goals for sustainable development