



11 MAY 2017

EMBARGOED TO 10H30 THURSDAY 11 MAY 2017

AEEI FLYING HIGH AS INTERIM PROFITS EXCEED EXPECTATIONS AND DECLARES MAIDEN DIVIDEND

2017 Interim Results

Salient features

- Revenue increased by 47% from R305m to R449m
- Operating profit increased by 145% from R74m to R181m
- Earnings per share increased by 110% from 14.04 cents to 29.48 cents
- Headline earnings per share increased by 111% from 14.02 cents to 29.53 cents
- Total assets increased by 20% from R1 535m to R1 841m
- Net Asset Value (NAV) increased by 34% from R847m to R1 138m
- Net cash generated from operating activities increased by 21% from R29m to R35m
- Maiden interim dividend of 2.00 cents declared

JSE-listed African Equity Empowerment Investments Limited (AEEI), a diversified investment and empowerment company today announced outstanding interim results for the six months ended 28 February 2017, with excellent revenue and profit growth from all its divisions which were garnered organically and from its acquisitions.

Continuing to adhere to its Vision 2020 Vision strategy plan, the Group's revenue increased by 47% from R305m to R449m. This was mainly due to the significant revenue from its Technology division through organic growth and its acquisition of two companies, and its fishing division's organic growth despite the economic environment it operated in.

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Profit before tax for the period increased by 150% from R74m to R185m with improved positive returns from our Group's diversified operations and investment portfolio.

Headline earnings per share increased by 111% from 14.02 cents to 29.53 cents, and earnings per share increased by 110% from 14.04 cents to 29.48 cents for the period under review.

AEEI's strategic intent to grow its asset base is evident in the increase of the Group's total asset base by 20% from R1 535m to R1 841m as a result of the success in its operational performance as well as its investments.

"The Group remains on a positive trajectory and I am delighted that we are able to continue improving our financial performance year on year, while driving sustainable returns for all stakeholders. We have been fortunate to meet, and in some instances, exceed, our targets for the half year results", stated Khalid Abdulla, Group Chief Executive Officer of AEEI, as he announced the interim results.

Particularly pleasing to Abdulla is the Group Net Asset Value (NAV), which increased by 34% from R847m to R1 138m as a result of the excellent operational performance of all AEEI's underlying operations and investments. NAV per share increased by 38% from 156.47 cents to 216.47 cents.

"Further, as a result of the solid financial performance from the underlying businesses, net cash generated from operating activities increased by 21% from R29m to R35m for the period under review," added Abdulla.

"I am also extremely pleased to announce a maiden interim dividend of 2.00 cents per share. This adds to the 3.30 cents we paid for the August 2016 financial year-end."

The Food and Fishing division achieved a solid performance for the six months ended 28 February 2017. Increased sales volumes in the lobster and squid businesses have contributed significantly to the strong performance and growth.

Premier Food and Fishing's Group Revenue increased by 7% to R170m to R182m compared to the prior period mainly as a result of increased sales volumes in the lobster and squid segments.

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The operating profit for PFF increased by 13% from R22m to R25m mainly due to operational efficiencies across all segments. Due to the seasonal nature of the fishing industry, the profits in this division have a stronger financial performance during the second half of the year. Based on its pre-listing information as previously released, this division is well positioned to achieve forecasted returns and sustainable growth.

The Information Communication Technology (ICT) division delivered strong organic growth, and through the acquisition of two IT companies, plus the incorporation of its investment in BT Communications Services (South Africa) under the IT division.

This growth also bolstered its product portfolio and supported increased revenues - 119% from R107m to R234m - and an increase in operating profit of 17% from R169m to R197m. The economy of scale is in line with AEEI's Vision 2020 Vision's strategic preparation for the potential listing of the ICT division. This division is on track for its listing plan within the short to medium term.

The Health Care division focuses on the manufacturing, sales and marketing of an extensive range of natural products for the food, agriculture, hygiene and general health and beauty sectors. The Health Care division achieved growth in revenue by increasing its footprint to new regions and promoting its product portfolio to other food and hygiene sectors.

Genius Biotherapeutics (Genius), Africa's largest medical biotechnology company, continues with its research and development activities.

During this reporting period, Genius' management team focused efforts on updating all regulatory requirements by employing the necessary human resources required to meet the stringent and necessary, Medicines Control Council compliance standards for production.

Within the Events and Tourism division, espAfrika hosted yet another successful staging of the Cape Town International Jazz Festival, (it's 18th edition), post the interim reporting period. In 2016 espAfrika also launched a new and wholly owned annual event, called "The Royal Escape Experience" which took place at Sun City and which will be held again in July 2017 this year. The company's performance for the six months is in line with expectations, as espAfrika delivers most of its performance and operational outputs during the second half of the financial year.

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With less than 20 months in existence, radio station Magic 828, has increased its listenership by 43% in the Western Cape region to approximately 100 000 listeners.

Triplos increased its market share since the previous period, with revenues increasing by 69% from R16m to R27m.

The Group's strategic investments consist of Pioneer Food Group (Pioneer), Sygnia Limited (Sygnia) and Saab Grintek Defence Propriety Limited (SGD), as well as British Telecoms SA, now managed under AEEI's Technology division.

AEEI has minority equity stakes in SGD, Sygnia and Pioneer and these investments have shown improvement in investment value since their date of acquisition. Consistent growth in earnings and regular dividends are received from all the strategic investments.

Adbulla noted that: "The Group holds a 30% equity interest in BT. On 23 November, the Board of directors of BT was rearranged, which resulted in AEEI having the ability to participate in the policy and decision making processes, resulting in the Group obtaining significant influence. The impact of the change resulted in the investment being recognised as an associate for the interim period under review and going forward."

During the six months under review, AEEI, via its Technology division, acquired 51% of the equity and voting interests of Headset Solutions and a 57% equity and voting interest in Puleng Technologies. These organisations have settled well and are meaningfully contributing to the division's results.

Headset Solutions trades in headsets and unified communication, which enhances the Group's strategy to diversify its IT portfolio, while Puleng is involved with software development further complementing the Group's other IT businesses.

The Group's consistent year on year display of excellent financial performance and the steady growth of the Company's share price, along with its peer recognition, as seen in a slew of industry awards over the past 12 months, sends a strong message to the market that AEEI, with its diversified portfolio, strong BBBEE credentials and real potential for local and international growth, is a solid company worthy of serious attention.

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Non-executive chairman, Professor Vukile Mehana said: “I am proud of AEEI’s solid performance in an especially tough economic operating environment. The Group has made good on its promises to further improve shareholder value, especially through the listing of Premier Food and Fishing, and is working hard to, amongst other goals, attain critical mass for listing its Technology division in the short to medium term.”

Abdulla concluded by saying: “Looking ahead, AEEI has a solid balance sheet and our cash flow has improved. Our business model remains on a firm growth path, investing not only in other companies and market strategies, but in our own people, that will assist us in continuing to deliver long-term value for our shareholders.

“This reporting period, organic growth, continuous reinvestment and strategic acquisitions - with the objective of building a sustainable high-growth Company with shareholder value growth for the future - is now reflecting in the Group’s excellent financial performance.”

ENDS

More about African Equity Empowerment Investments Limited:

African Equity Empowerment Investments Limited (AEEI) is a listed entity on the Johannesburg Stock Exchange (JSE) since 1999 and holds strategic investments, some with international partners, as well as operational investments in food & fishing, technology, health care & biotherapeutics and events and tourism.

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AEEI is recognised by its peers as a successful pioneer in promoting the interests of HDIs and previously marginalised communities. The Group’s commitment to transformation, including employment equity, skills and enterprise development, as well as corporate social investment, makes it a role model for BBBEE.

AEEI is an exporter and generates a significant portion of income in foreign currency and also has stakes in British Telecommunications South Africa and SAAB SA.

Awards to date:

- AEEI was recognised by Empowerdex in its annual benchmark of JSE listed companies as **THE MOST EMPOWERED COMPANY** under the amended codes;
- AEEI was also recognised for its **MOST EMPOWERED MANAGEMENT CONTROL**
- The Group was listed by the Financial Mail as a **TOP 10 PERFORMER ON THE JSE FOR FINANCIAL PERFORMANCE**
- AEEI received the **HIGHEST SUSTAINABILITY DATA TRANSPARENCY INDEX SCORE – FINANCIAL SERVICES – IRAS** rated 1st in our Sector in the Sustainability Data Transparency Index and 3rd overall , up from 10th position; and
- CEO Khalid Abdulla was named the **TOP EMPOWERED BUSINESS LEADERS OF THE YEAR** at the Oliver Empowerment Awards 2017

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