

SUMMARISED UNAUDITED RESULTS AND DECLARATION OF CASH DIVIDEND FOR THE INTERIM PERIOD ENDED 28 FEBRUARY 2019

Revenue
Increased by
31% ↑
from the restated
R604m to R792m

Profit after tax
Increased by
246% ↑
from
R158m to R546m

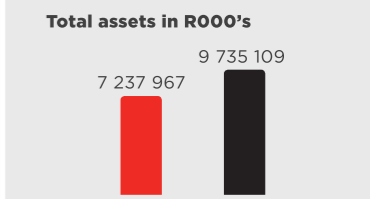
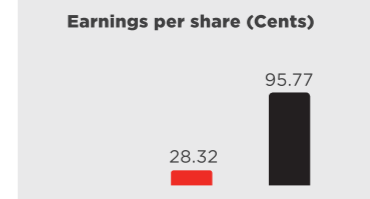
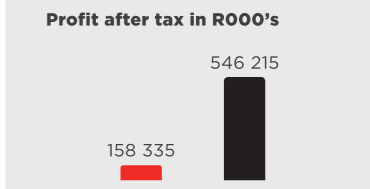
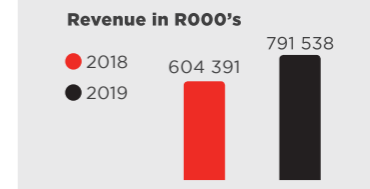
Earnings per share
Increased by
238% ↑
from
28.32c to 95.77c

Total assets
Increased by
32% ↑
to **R9 735m**

Net asset value per share
Increased by
8% ↑
to **R5 319m**

Net operating cash flow
Increased to
R123m ↑

Dividends declared
Increased by
233% ↑
from
3.30c to 11.00c



GROUP PERFORMANCE

The Group delivered excellent revenue growth resulting from strong contributions from all its underlying investments for the interim period. Group revenue increased by 31% from the restated R604m to R792m, mainly due to the significant revenue achieved from the technology and the fishing and brands divisions. As a result of the change in control, two months of trading revenue related to R356m of the technology division's financial performance, was included in the statement profit and loss and other comprehensive income.

Profit for the period increased by 246% from the restated R158m in the prior interim period to R546m due to excellent operational performance of the underlying businesses. The earnings were also positively impacted by the change in control of AYO, as a consequence this investment in the associate has been derecognised.

Headline earnings per share ("HEPS") increased by 37% from 28.32c to 38.67c, while earnings per share ("EPS") increased by 238% from the restated 28.32c to 95.77c for the six months under review. The increase in HEPS over the prior interim period is an indication of the strategic plans at play with good organic and acquisitive earnings growth.

The Group's normalised HEPS increased by 120% from 17.23c to 37.95c. Normalised earnings are defined as earnings from continuing operations excluding non-recurring items and once-off fair value adjustments.

The Group's asset base increased by 32% from R7.3bn to R9.7bn due to the additional acquisitive assets and the organic growth of the underlying businesses. Net asset value ("NAV") for the Group increased by 8% from R4.9bn to R5.3bn as a result of the strengthened financial position of the Group. The NAV per share increased from the 999.25c at August year end to 1 082.66c.

Net cash from operating activities increased to R123m as a result of the solid operational performance from the underlying businesses.

FINANCIAL HIGHLIGHTS	Unaudited Group 6 months to 28 February 2019 R'000	Unaudited Restated Group 6 months to 28 February 2018 R'000
Revenue	791 538	604 391
Profit after tax (including portion attributable to non-controlling interest)	546 215	158 335
Headline earnings	190 019	139 133
Net asset value	5 319 411	72 996
Earnings per share (cents)	95.77	28.32
Headline earnings per share (cents)	38.67	28.32
Net asset value per share (cents)	1 082.66	14.86

FISHING AND BRANDS

The fishing and brands division delivered a strong performance for the period under review with revenue increasing by 56% and operating profit increasing by 92% compared to the prior period. The increase in operating profit is mainly attributable to the excellent catches and strong sales performance of the squid division, which was offset by the lower operational performance of the lobster division with low landings being experienced and the expected performance from pelagic division.

The abalone division continued to focus on its expansion plans and have already increased its spat production from an average of 100 000 spat per month to approximately 200 000 spat. Sales volumes remained constant to that of the prior period, as the abalone farm continues to strategically grow out it's abalone to larger sizes in order to meet market demand, thereby maximising the value received for their abalone. The farm expansion project is on track as planned.

TECHNOLOGY

The Information and Communications Technology ("ICT") associate, AYO is one of the largest Broad-Based Black Economic Empowerment ("B-BBEE") ICT companies in South Africa. AYO delivers end-to-end ICT solutions to multiple industries in South Africa's public and private sectors through strategic partnerships. These partnerships enable them to service customers across the African continent, North America, Europe and Mauritius.

The ICT subsidiary achieved significant growth in profit after tax and for the first four months of the interim period, this contributed

significantly to the Group's profit from equity accounted investments. In addition to that, due to the change in control, the ICT investment was treated as a subsidiary from 21 December 2018 and two months of trading revenue and expenses was consolidated into the Group's results. AYO achieved significant organic growth in its various businesses and its acquisition growth is strong as it builds on its platforms driven by its "Go to Market" strategy.

AEEI's associate investment in BT Communication Services SA Proprietary Limited continually produces consistent earnings and it contributed positively to the Group's profit from equity accounted investments.

HEALTH AND BEAUTY

The companies in the health and beauty division, focuses on the importation and distribution of cosmetic brands as well as the manufacturing, sales and marketing of an extensive range of natural products that are human, animal and plant safe and internationally recognised in the food, agriculture, hygiene, beauty and general health sectors.

The revenue from the health and beauty business slowed down in the first half of the year due to subdued customer and consumer demand in the current economic climate. Management expects an improvement in the businesses in the second half of the year.

BIOTECHNOLOGY

Genius Biotherapeutics, one of Africa's largest medical biotechnology companies, in collaboration with research partners at the University of Cape Town strive to start the clinical trials on breast cancer in the next few months.

The dendritic cell vaccine project progressed with the completion of the clean rooms at the University of Cape Town in preparation for the upcoming human clinical trials.

EVENTS AND TOURISM

The events and tourism division manages and owns an events planning and production company, espAfrika Proprietary Limited ("espAfrika"), a travel services company, Tripos Travel Proprietary Limited ("Tripos Travel") and a radio station Magic 828 Proprietary Limited ("Magic 828") (managed under the corporate division).

espAfrika a Group subsidiary, hosted a very successful 20th annual Cape Town International Jazz Festival post interim period. The company's performance for the six months is as expected as espAfrika hosts most of its events during the second half of the financial year.

Magic 828 which has been in existence for just over three years and contributed to the Group's gross revenue for the period and with its extensive marketing campaign has seen its listenership consistently increasing over the interim period.

Under the current economic climate, Tripos Travel managed its cost structure under declining revenue and remains positive that it will achieve more in the second half of the year.

STRATEGIC INVESTMENTS

The Group's strategic investments consist of: Pioneer Foods Group Limited ("Pioneer"), Sygnia Limited ("Sygnia") and Saab Grintek Defence Proprietary Limited ("SGD") and BT Communications Services South Africa Proprietary Limited ("BT") which is now reported under the technology division / segment.

AEEI has minority equity stakes in SGD, Sygnia and Pioneer. These investments have shown improvement in its investment value since the date of the acquisitions. Consistent growth in earnings and regular dividends are received from all the strategic investments. All of The Pioneer Food Group Limited shares were disposed of on 15 March 2019 and all of the Quantum Food shares are expected to be disposed of on or before the 31 May 2019. Refer to Events after Reporting period for full details.

EVENTS AFTER THE REPORTING PERIOD

Acquisition of subsidiary

On 13 December 2018, AEEI acquired 76% of the ordinary share capital in Global Command and Control Technologies Proprietary Limited ("GCCT"). GCCT purchased the command, control, training and simulation business as a going concern from Saab Grintek Defence Proprietary Limited for a cash consideration of R23m.

Disposal of the Pioneer Foods Group Limited investment

On 26 February 2019, the AEEI Board of directors accepted the non-binding offer by Pioneer Food Group Limited to repurchase 1 589 998 Pioneer Foods shares in Pioneer Foods Limited and 1 598 998 Quantum Foods shares in Quantum Foods Holding Limited for the purchase consideration of R78.19 and R3.30 per share respectively. The financial impact on AEEI is the net proceeds received from the disposal of the Pioneer Foods shares, before any tax liability, amounts to R12 750 856 on the effective date, being 15 March 2019. The regulatory approval of

the repurchase of the Quantum Foods shares has not yet been obtained as at the reporting date and the disposal effective date is expected to be before 31 May 2019.

The Pioneer transaction has been disclosed as Non-current assets held for sale in the face of the Group Statement of Financial Position.

SHARE REPURCHASES

During the interim period, and as approved at the AGM relating to general share repurchase, the Company bought back 317 000 shares representing 0.06% of the total shares in issue prior to the repurchase. The shares were purchased at an average price of R2.95 per share for a total cash consideration of R 936 887.

PROSPECTS

The Group will continue with its strategic focus to grow the value of our core operational investments and improve the value add to our strategic and associate investments.

The AEEI Group continues to build on its solid platform for further organic growth and has positioned itself well to further increase its investments by acquisition. Management continues to focus on the last year of its five-year strategic plan ("Vision 2020 Vision") and has firmed up its acquisition pipeline for both the fishing and brands and technology division.

The Group's auditors have not reviewed nor reported on any comments relating to future prospects.

DIVIDENDS

The Board of directors are pleased to announce that it has approved and declared an interim dividend of 11.00 cents per share for the six-month period ended 28 February 2019 from income reserves. The interim dividend amount, net of South African dividend tax of 20% which equates to 2.20 cents per share, is therefore 8.80 cents per share for those shareholders that are not exempt from dividend tax.

The number of ordinary shares in issue at declaration date is 491 339 434 and the income tax number of the Company is 9314001034.

The salient dates of this dividend distribution are:

Gross dividend (cents per share)	11.00
Dividend net of dividend withholding tax	8.80
Last day to trade cum dividend	Tuesday, 28 May 2019
Trading ex-dividend commences	Wednesday, 29 May 2019
Record date	Friday, 31 May 2019
Date of payment	Monday, 3 June 2019

Share certificates may not be dematerialised or rematerialised between Wednesday, 29 May 2019 and Friday, 31 May 2019, both days inclusive.

APPRECIATION

We wish to thank our employees, Group executives, management, our Board of directors as well as our strategic partners, stakeholders and business partners for their loyalty and dedication in contributing to the success of the Group.

Mrs Aziza Amod
Acting non - executive chairman
Cape Town
9 May 2019

Mr Khalid Abdulla
Chief executive officer

SUMMARISED GROUP SEGMENTAL INFORMATION

28 February 2019	Fishing and brands R'000	Technology R'000	Health and beauty R'000	Biotechnology R'000	Events and tourism R'000	Corporate R'000	Group R'000
Revenue	286 920	358 736	22 996	-	25 072	101 583	795 307
Profit / (Loss) after tax	50 945	188 419	4 607	(2 727)	(2 501)	307 472	546 215
28 February 2018	Fishing and brands R'000	Technology R'000	Health and beauty R'000	Biotechnology R'000	Events and tourism R'000	Corporate R'000	Group R'000
Revenue	184 580	348 672	24 171	-	41 845	43 430	642 698
Profit / (Loss) after tax	23 528	98 002	1 948	(31 075)	(5 544)	71 477	158 335

AFRICAN EQUITY EMPOWERMENT INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)

Registration number: 1996/006093/06 Share code: **AEE** and **ISIN:** ZAE0000195731 ("**AEEI**" or "**the Group**" or "**the Company**") - A SEKUNJALO GROUP COMPANY
Directors: *Khalid Abdulla (chief executive officer); Aziza Amod (acting non-executive Chairman); *Chantelle Ah Sing; Ismet Amod (appointed 18 January 2019) and Advocate Dr Ngoako Ramatlhodi

Company secretary: Damien Terblanche **Registered address:** 1st Floor, North Block, Waterway House, 3 Dock Road, Victoria and Alfred Waterfront, Cape Town 8001
Email: damien@aei.co.za. **Transfer secretaries:** Link Market Services South Africa Proprietary Limited 19 Ameshoff Street, 13th Floor, Rennie House, Braamfontein, Johannesburg 2001. **Auditors:** BDO Cape Inc, 6th Floor, 123 Hertzog Boulevard, Cape Town, 8001 **Sponsor:** Vunani Capital Proprietary Limited Vunani House, Vunani Office Park, 151 Katherine Street, Sandown, Johannesburg, 2196.

Note to shareholders: This announcement contains only a summary of the information of the full announcement made on SENS on Thursday, 9 May 2019, does not contain full or complete details and is the responsibility of the directors. Please refer to the full SENS announcement for additional information. The full announcement is available for viewing on AEEI's website at www.aei.co.za, or may be requested and obtained in person, at no charge, at the registered office of the Company and its sponsor during office hours. Any investment decisions by investors and/or shareholders should be based on consideration of the full announcement made on SENS.

For more information visit www.aei.co.za