



eMedia Holdings Limited  
**UNAUDITED CONSOLIDATED CONDENSED  
INTERIM RESULTS**  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER  
**2018**

## COMMENTARY

The period under review resulted in the Group ending the period showing a profit from continuing operations of R48.4 million compared to a profit of R18.8 million in the prior period, an increase of 158,3%. The loss from discontinued operations amounted to R29.5 million resulting in the profit for the period ending on R18.9 million compared to a loss of R0.7 million in the prior period. Revenue reflected an increase of 5.3% ending the period on R1.2 billion despite the tough economic conditions. Included in the profit are the losses attributable to the continued investment into the multi-channel business (OpenView and e.tv multichannel) of R84.3 million compared to R117.3 million in the prior year. Box activations have continued steady growth and at 30 September 2018, 1 432 521 boxes were activated, compared to 1 008 114 boxes for the prior period. EBITDA for the Group ended the period on R164.2 million compared to R128.6 million for the prior period, an increase of 27.7% year-on-year. Included in the profit from continuing operations is the profit on the sale of Da Vinci Media of R11.4 million. The Group's only asset is a 67.7% stake in eMedia Investments Proprietary Limited ("eMedia Investments").

## eMEDIA INVESTMENTS

### e.tv terrestrial

The six-month period ended 30 September 2018 has seen the market share of e.tv remain fairly constant but has seen an increase in a key revenue driver, LSM 8 to 9, from 11.80% market share to 13.90% market share. e.tv's advertising revenue has seen a slight decrease year on year in a very challenging economic environment. Programming and other cost of sales decreased by 12% from R326 million to R285.6 million. Management is re-looking at the schedule in order to maximize slots that are currently unprofitable. A new local drama, 'Imbewu: The Seed', was introduced in April 2018 and is performing well. This should help improve the revenue in e.tv, as well-performing local dramas are the biggest revenue drivers. Costs are being well maintained in the business with operating expenses increasing from R250.9 million to R269.9 million, a movement of 8% year-on-year and e.tv is showing signs of improved performance and recovery.

### e.tv Multichannel and Platco

As mentioned, included in the results are losses of R84.3 million from the continued investment into the multi-channel businesses from which significant revenue is not yet being derived. Advertising revenue has however shown significant improvement, increasing by 161% from R22.2 million in the previous year to R57.9 million. The OpenView platform has increased its viewership capacity to 1 432 521 boxes activated at the end of the period. With this ever-improving rollout, and when digital terrestrial television starts, the Group will be in a good position to increase its revenue base.

### eSat.tv (eNCA)

eNCA continues to perform well and continues to be the most watched 24-hour news station on DSTV with over 50% market share. Advertising revenue in eNCA still shows good growth ending the period on R57.0 million, up 10% from R52.0 million in the previous year. Costs continue to be well maintained with cost of sales showing no increase and amounting to R133.6 million compared to R133.5 million in the prior period. eNCA had a relaunch and rebranding in July 2018, and initial feedback is generally positive.

Certain of the Group's other subsidiaries have performed satisfactorily for the six-month period. These include Sasani Africa and Strika Entertainment. YFM has also shown a turnaround from the previous period.

Management continues to review the non-core and peripheral businesses and will exit these businesses when opportunities arise. During the current period, the sale of Da Vinci Media was concluded, as well as the beginning of the process to close certain of the Silverline 360 operations. The operations of Refinery JHB, Moviemart and the Head Office functions will cease on 31 October 2018 and have been reflected as discontinued operations.

## STATEMENT OF FINANCIAL POSITION

	Unaudited 30 September 2018 R000's	Unaudited 30 September 2017 R000's	Audited 31 March 2018 R000's
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>5 870 422</b>	<b>7 589 977</b>	<b>5 726 730</b>
Property, plant and equipment	869 542	903 699	784 492
Plant and equipment	268 833	294 839	183 785
Owner occupied property	600 709	608 860	600 707
Intangible assets	2 524 114	2 590 434	2 537 697
Goodwill	2 228 978	3 778 264	2 153 800
Equity-accounted investees	147 642	209 498	143 495
Long-term receivables	16 110	17 108	14 398
Deferred tax assets	84 036	90 974	92 848
<b>Current assets</b>	<b>1 428 354</b>	<b>1 605 602</b>	<b>1 368 035</b>
Inventories	15 039	18 119	9 714
Programming rights	809 605	929 956	870 674
Trade and other receivables	422 842	462 421	384 408
Current tax assets	49 926	15 154	16 950
Cash and cash equivalents	130 942	179 952	86 289
<b>Assets of disposal groups</b>	<b>19 672</b>	<b>22 985</b>	<b>262 792</b>
<b>Total assets</b>	<b>7 318 448</b>	<b>9 218 564</b>	<b>7 357 557</b>
<b>EQUITY AND LIABILITIES</b>			
Total equity	5 583 597	7 186 738	5 558 961
Stated capital	6 762 797	6 762 797	6 762 797
Treasury shares	( 10 870)	( 7 913)	( 10 870)
Reserves	( 2 176 038)	( 605 365)	( 2 189 959)
Equity attributable to owners of the Company	4 575 889	6 149 519	4 561 968
Non-controlling interest	1 007 708	1 037 219	996 993
<b>Non-current liabilities</b>	<b>665 059</b>	<b>782 917</b>	<b>684 252</b>
Deferred tax liabilities	526 502	537 075	533 342
Borrowings	135 390	241 338	150 910
Operating lease accruals	3 167	4 504	-
<b>Current liabilities</b>	<b>1 064 810</b>	<b>1 248 909</b>	<b>1 009 169</b>
Current tax liabilities	5 646	7 752	11 512
Current portion of operating lease accruals	208	-	-
Current portion of borrowings	397 556	434 533	409 452
Trade and other payables	610 309	805 235	587 176
Bank overdraft	51 091	1 389	1 029
<b>Liabilities of disposal groups</b>	<b>4 982</b>	<b>-</b>	<b>105 175</b>
<b>Total liabilities</b>	<b>1 734 851</b>	<b>2 031 826</b>	<b>1 798 596</b>
<b>Total equity and liabilities</b>	<b>7 318 448</b>	<b>9 218 564</b>	<b>7 357 557</b>
Net asset value	4 575 889	6 149 518	4 561 968
Net asset value per share after treasury shares (cents)	1 030	1 383	1 027

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	6 Months 30 September 2018 R000's	6 Months * 30 September 2017 R000's	Restated 31 March 2018 R000's
<b>Continuing operations</b>			
Revenue	1 247 598	1 184 936	2 401 858
Cost of sales	(605 211)	(595 255)	(1 221 226)
<b>Gross profit</b>	<b>642 387</b>	<b>589 681</b>	<b>1 180 632</b>
Other income	4 665	4 416	16 409
Administrative and other expenses	(482 820)	(465 516)	(961 964)
<b>Earnings before interest, taxation, depreciation and amortisation</b>	<b>164 232</b>	<b>128 581</b>	<b>235 077</b>
Depreciation and amortisation	(78 857)	(76 520)	(153 576)
Impairments	-	-	(1 597 211)
<b>Operating profit/(loss)</b>	<b>85 375</b>	<b>52 061</b>	<b>(1 515 710)</b>
Finance income	3 217	4 454	8 547
Finance expenses	(18 390)	(21 288)	(43 046)
Share of (loss)/profit of equity-accounted investees, net of taxation	(375)	(279)	1 289
Investment surplus on disposal of associate	11 232	-	-
<b>Profit/(loss) before taxation</b>	<b>81 059</b>	<b>34 948</b>	<b>(1 548 920)</b>
Taxation	(32 623)	(16 193)	(32 155)
<b>Profit/(loss) for the year from continuing operations</b>	<b>48 436</b>	<b>18 755</b>	<b>(1 581 075)</b>
<b>Discontinued operations</b>			
Loss for the period from discontinued operations, net of taxation	(29 456)	(19 485)	(31 845)
<b>Profit/(loss) for the period</b>	<b>18 980</b>	<b>(730)</b>	<b>(1 612 920)</b>
<b>Other comprehensive profit/(loss), net of related taxation</b>			
<i>Items that are or may be reclassified to profit or loss</i>			
Foreign operations - foreign currency translation differences	9 907	4 103	(6 735)
Reclassification of foreign currency differences on disposal	-	722	(723)
<b>Other comprehensive profit/(loss), net of taxation</b>	<b>9 907</b>	<b>4 825</b>	<b>(7 458)</b>
<b>Total comprehensive profit/(loss)/income for the period</b>	<b>28 887</b>	<b>4 095</b>	<b>(1 620 378)</b>
<b>Profit/(loss) attributable to:</b>			
Owners of the Company	11 317	(2 494)	(1 579 005)
Non-controlling interest	7 663	1 764	(33 916)
	<b>18 980</b>	<b>(730)</b>	<b>(1 612 920)</b>
<b>Total comprehensive income/(loss) attributable to:</b>			
Owners of the Company	18 023	772	(1 584 053)
Non-controlling interest	10 864	3 323	(36 325)
	<b>28 887</b>	<b>4 095</b>	<b>(1 620 378)</b>

\* 6 Months ended 30 September 2017 restated for discontinued operations

## STATEMENT OF CHANGES IN EQUITY

	Stated capital R000's	Treasury shares R000's	Other Reserves R000's	Retained incomet R000's
<b>Balance 31 March 2017</b>	6 762 797	(7 221)	(7 488)	(592 944)
Loss	-	-	-	(1 578 773)
Foreign currency translation reserve	-	-	(5 049)	-
Share buy-back	-	(3 649)	-	-
Change in ownership	-	-	-	(5 705)
Disposal of share interest	-	-	-	-
Dividends paid	-	-	-	-
<b>Balance 31 March 2018</b>	<b>6 762 797</b>	<b>(10 870)</b>	<b>(12 537)</b>	<b>(2 177 422)</b>
Profit	-	-	-	11 317
Foreign currency translation reserve	-	-	6 706	-
Common control reserve arising on the acquisition of Niveus 13	-	-	(4 102)	-
Dividends paid	-	-	-	-
<b>Balance 30 September 2018</b>	<b>6 762 797</b>	<b>(10 870)</b>	<b>(9 933)</b>	<b>(2 166 105)</b>

	Equity Owners R000's	Non-controlling Interest R000's	Total Reserves R000's
<b>Balance 31 March 2017</b>	6 155 144	1 026 541	7 181 685
Loss	(1 578 773)	(34 147)	(1 612 920)
Foreign currency translation reserve	(5 049)	(2 409)	(7 458)
Share buy-back	(3 649)	-	(3 649)
Change in ownership	(5 705)	5 705	-
Disposal of share interest	-	1 648	1 648
Dividends paid	-	(345)	(345)
<b>Balance 31 March 2018</b>	<b>4 561 968</b>	<b>996 993</b>	<b>5 558 961</b>
Profit	11 317	7 663	18 980
Foreign currency translation reserve	6 706	3 201	9 907
Common control reserve arising on the acquisition of Niveus 13	(4 102)	-	(4 102)
Dividends paid	-	(149)	(149)
<b>Balance 30 September 2018</b>	<b>4 575 889</b>	<b>1 007 708</b>	<b>5 583 597</b>

## STATEMENT OF CASH FLOWS

	Unaudited 30 September 2018 R000's	Unaudited * 30 September 2017 R000's	Restated 31 March 2018 R000's
<b>Cash from operating activities</b>			
Cash flows from operating activities	173 618	56 393	109 286
Net finance costs	(16 068)	(18 815)	(38 777)
Taxes paid	(32 125)	(27 344)	(49 543)
Net cash inflow from operating activities	125 425	10 234	20 966
<b>Cash used in investing activities</b>			
Acquisition of property, plant and equipment	(66 713)	(26 650)	(56 962)
Acquisition of plant and equipment	(62 168)	(26 650)	(54 449)
Acquisition of owner-occupied properties	(4 545)	-	(2 513)
Proceeds from sale of property, plant and equipment	637	3 323	27 670
Book value of assets disposed	172	1 864	2 298
Surplus on disposal	465	1 459	25 372
(Repayment)/advances of financial assets	(426)	2 584	2 153
Acquisition of subsidiary, net of cash acquired	(4 996)	-	-
Net cash flows of discontinued operations	-	13 900	16 928
Additions to intangible assets	(6 587)	(18 503)	(22 376)
Loans advanced to equity accounting investees	(4 943)	(5 055)	(9 964)
Net proceeds from disposal of associates	8 223	-	-
Net cash used in investing activities	(74 805)	(30 401)	(42 551)
<b>Cash (used in) from financing activities</b>			
Repayment of borrowings	(87 138)	(82 264)	(188 424)
Settlement of forward exchange contracts	-	-	(11 743)
Borrowings raised	1 419	85 726	150 188
Share buy back	-	(692)	(3 649)
Proceeds from disposal of shares to non-controlling interest	-	2 570	2 570
Dividends paid to non controlling interest	(149)	-	(345)
Net cash (used in) from financing activities	(85 868)	5 340	(51 403)
<b>Net change in cash and cash equivalents</b>	<b>(35 248)</b>	<b>(14 827)</b>	<b>(72 988)</b>
Cash and cash equivalents at beginning of the year	116 656	192 510	192 510
Effect of movements in exchange rates on cash held	3 490	880	(2 866)
<b>Cash and cash equivalents at end of the year</b>	<b>84 898</b>	<b>178 563</b>	<b>116 656</b>
<b>Cash and cash equivalents comprise the following</b>			
Cash and cash equivalents	135 989	179 952	117 685
Bank balances	130 942	179 952	86 289
Cash in disposal group assets held for sale	5 047	-	31 396
Bank overdrafts	(51 091)	(1 389)	(1 029)
	84 898	178 563	116 656

\* 6 Months ended 30 September 2017 restated for discontinued operations

## EARNINGS, DILUTED AND HEADLINE EARNINGS PER SHARE

	Unaudited Gross R000's	Unaudited Net R000's
<b>For the year ended 30 September 2018</b>		
Profit attributable to equity owners of the parent		11 317
IAS 16 gains on disposal of plant and equipment	( 105)	( 76)
Profit from of disposal of associate	( 7 603)	( 7 603)
IFRS 3 impairment of goodwill	11 239	11 239
<b>Headline earnings</b>		14 877
<b>For the year ended 30 September 2017*</b>		
Loss attributable to equity owners of the parent		( 2 494)
IAS 16 gains on disposal of plant and equipment	( 988)	( 711)
IAS 16 impairment of plant and equipment	7	5
IAS 21 foreign currency translation reserve reclassified to profit or loss	489	489
IFRS 10 loss on the loss of control of a subsidiary	( 634)	271
<b>Headline earnings</b>		( 2 440)

\* 6 Months ended 30 September 2017 restated for discontinued operations

	Unaudited 30 September 2018 R000's	Unaudited* 30 September 2017 R000's
<b>Basic earnings (R'000)</b>		
<b>Earnings/(loss)</b>	11 317	( 2 494)
Continuing operations	31 254	10 697
Discontinued operations	( 19 937)	( 13 191)
<b>Headline earnings/(loss)</b>	14 877	( 2 440)
Continuing operations	23 576	10 457
Discontinued operations	( 8 699)	( 12 897)
<b>Basic earnings per share (cents)</b>		
<b>Earnings/(loss)</b>	2,55	(0,56)
Continuing operations	7,03	2,41
Discontinued operations	(4,48)	(2,97)
<b>Headline earnings/(loss)</b>	3,34	(0,55)
Continuing operations	5,30	2,35
Discontinued operations	(1,96)	(2,90)
<b>Weighted average number of shares in issue - 30 September ('000)</b>		
Issued shares as at 1 April ('000)	444 597	445 737
Effect of own shares held ('000)	( 116)	( 1 140)
<b>Net number of shares in issue - 30 September ('000)</b>	444 152	444 489
Number of shares in issue - 30 September ('000)	445 737	445 737
Number of treasury shares in issue - 30 September ('000)	( 1 585)	( 1 248)

\* 6 Months ended 30 September 2017 restated for discontinued operations

## BASIS OF PREPERATION

The unaudited consolidated condensed results for the six months to September 2018 have been prepared in accordance with International Financial Reporting Standards (IFRS), the disclosure requirements of IAS 34: Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the requirements of the South African Companies Act, 2008 and the Listings Requirements of the JSE Limited. These results do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 March 2018.

These results have been prepared under the supervision of the Financial Director, A S Lee (CA) SA, and have not been audited or reviewed by the Group's auditors, Grant Thornton Johannesburg Partnership.

## SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 March 2018.

The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 March 2019.

The Group has adopted IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments from 1 January 2018 but they do not have a material effect on the Group's financial statements therefore no restatement of prior year numbers are required.

## STATED CAPITAL

As at 30 September 2018, no changes to Stated Capital occurred.

## DISPOSAL GROUP ASSETS/LIABILITIES HELD FOR SALE

Operations reported as disposal group assets/liabilities held for sale at 30 September 2018 relate to the operations of Refinery Johannesburg Proprietary Limited, Moviemart Proprietary Limited and the head office operations of Silverline Three Sixty Proprietary Limited. These entities will cease operations from 31 October 2018.

*Discontinued operations as disclosed in the statement of comprehensive income consist of the following:*

	Unaudited 30 September 2018 R000's	Unaudited* 30 September 2017 R000's
<b>Revenue</b>		
Longkloof Limited Group	-	-
e.Botswana Proprietary Limited and e.tv Botswana Proprietary Limited	-	1 537
Lalela Music Proprietary Limited and Lalela Music LLC	-	-
Silverline Three Sixty Proprietary Limited	<b>20 818</b>	16 123
<b>Total revenue</b>	<b>20 818</b>	17 660
<b>Loss from discontinued operations</b>		
Longkloof Limited Group	<b>52</b>	2 160
e.Botswana Proprietary Limited and e.tv Botswana Proprietary Limited	-	(8 061)
Lalela Music Proprietary Limited and Lalela Music LLC	-	3 186
Silverline Three Sixty Proprietary Limited	<b>(29 508)</b>	(16 770)
<b>Total loss</b>	<b>(29 456)</b>	(19 485)

\* 6 Months ended 30 September 2017 restated for discontinued operations



Disposal groups held for sale as disclosed in the statement of financial position comprise the following:

	Property, plant equipment	Inventories	Trade and other receivables	Cash and cash equivalents	Total assets
	R'000	R'000	R'000	R'000	R'000
<b>Assets</b>					
<b>30 September 2018</b>					
Longkloof Limited Group	283	-	-	4 082	4 365
Silverline Three Sixty Proprietary Limited	2 034	3 918	8 390	965	15 307
<b>Total assets</b>	<b>2 317</b>	<b>3 918</b>	<b>8 390</b>	<b>5 047</b>	<b>19 672</b>
<b>30 September 2017</b>					
Sabido Properties Proprietary Limited	22 985	-	-	-	22 985

	Unaudited 30 September 2018 R000's	Unaudited 30 September 2017 R000's
<b>Liabilities</b>		
Silverline Three Sixty Proprietary Limited	4 982	-
<b>Total liabilities</b>	<b>4 982</b>	<b>-</b>

## RELATED PARTIES

Group entities entered into various transactions with related parties, in the ordinary course of business, on an arm's length basis. The nature of related party transactions is consistent with those reported previously, as at 31 March 2018.

## CHANGE IN COMPARATIVES

The results of discontinued operations have been separately disclosed on the face of the statement of comprehensive income.

## CHANGES IN DIRECTORATE AND COMPANY SECRETARIAL

Chief executive officer, A van der Veen, resigned from the board effective 30 November 2018.

K Sherrif has been appointed as an executive director of eMedia Holdings as of 13 November 2018.

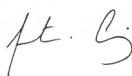
## DIVIDEND TO SHAREHOLDERS

The directors have resolved not to declare an interim dividend for the period ended 30 September 2018.

On behalf of the board



JA Copelyn  
Chairperson



AS Lee  
Financial Director

## CORPORATE INFORMATION

### eMEDIA HOLDINGS LIMITED

The company's shares are listed under the Media sector of the JSE Limited.

### COMPANY REGISTRATION NUMBER:

1968/011249/06 (Incorporated in the Republic of South Africa)

### JSE SHARE CODES:

Ordinary Shares: EMH IZIN: ZAE000208898

N-Ordinary Shares: EMN IZIN: ZAE000209524

### REGISTERED OFFICE

5 Summit Road

Dunkeld West

Hyde Park

Johannesburg

2196

Private Bag X9944

Sandton 2146

### DIRECTORS

JA Copelyn\* (Chairman)

A van der Veen (Chief executive officer)

K Sherrif

AS Lee (Financial director)

TG Govender\*

Y Shaik\*

VE Mphande\*^

L Govender\*^

RD Watson\*^

(\*Non-executive ^Independent)

### COMPANY SECRETARY

HCI Managerial Services Proprietary Limited

### TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited

Rosebank Towers, 15 Biermann Avenue,

Rosebank, 2196

PO Box 61051 Marshalltown, 2107

### AUDITORS

Grant Thornton Johannesburg Partnership

Practice Number: 903485

@Grant Thornton

Wanderers Office Park

52 Corlett Drive

Illovo, 2196

Private Bag X10046

Sandton, 2146

### BANKERS:

Standard Bank of South Africa

### SPONSOR:

Investec Bank Limited

100 Grayston Drive

Sandton, Sandown, 2196

### WEBSITE:

[www.emediaholdings.co.za](http://www.emediaholdings.co.za)

