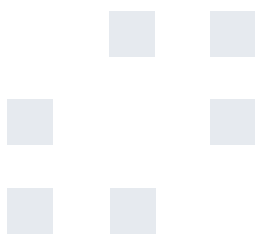
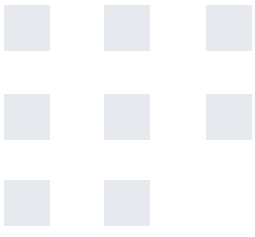


ABRIDGED ANNUAL REPORT 2016





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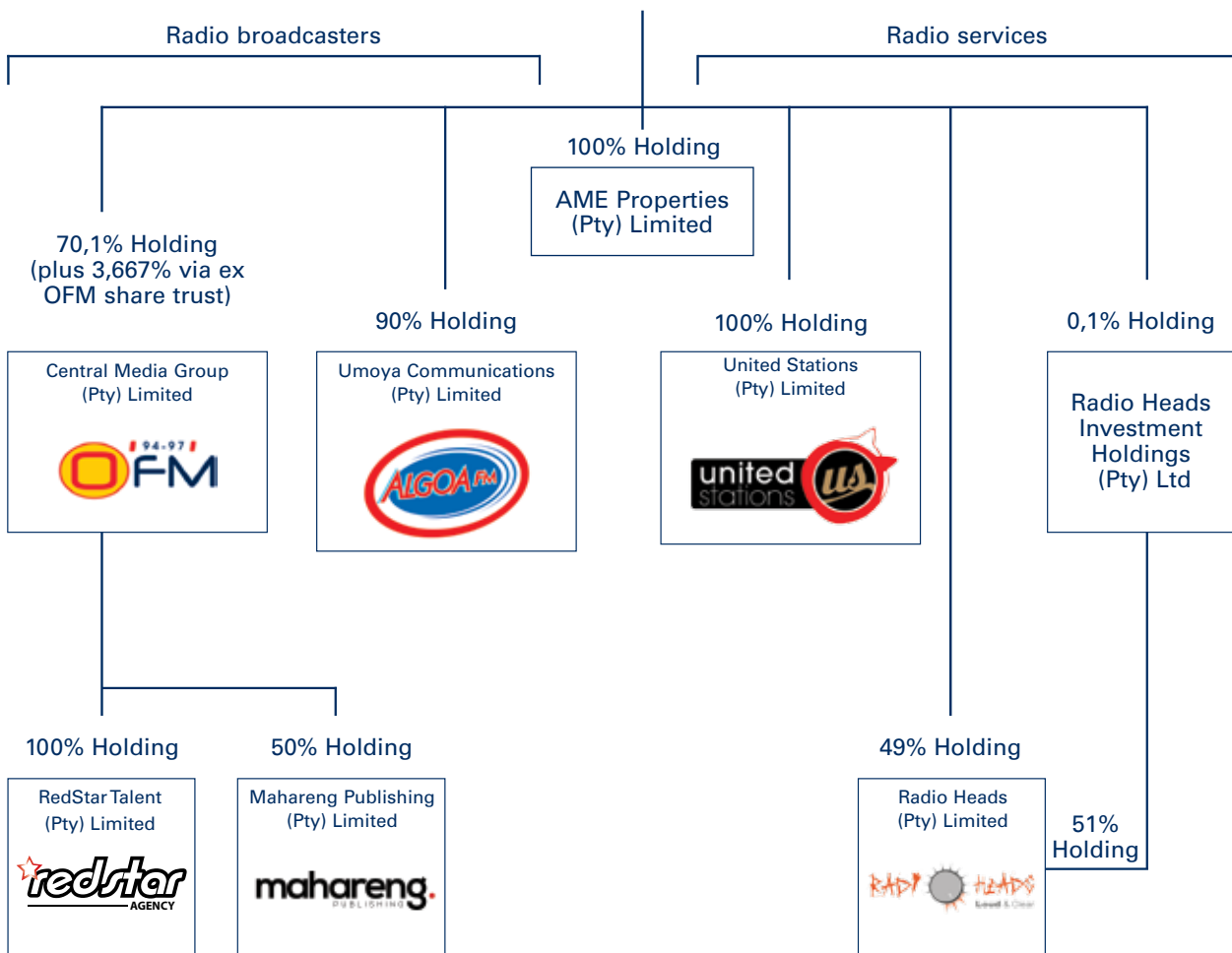
A complete set of the Annual Report is available on the website of African Media Entertainment Limited at www.ame.co.za

GROUP STRUCTURE

African Media Entertainment Limited ("AME") is a broadcast company listed in the "Media & Entertainment" sector of the Johannesburg Stock Exchange ("JSE")



(Incorporated in the Republic of South Africa)
 (Registration number 1926/008797/06)
 (Share code: AME)
 (ISIN: ZAE000055802)



DIRECTORATE AND EXECUTIVE

BOARD OF DIRECTORS

ACG ("Connie") Molusi (54)

Independent Non-executive Chairman

BJournalism, MA

Appointed 18 March 2004

Connie has been involved with the media industry for many years and holds a number of directorships.

Marthinus J Prinsloo (61)

Independent Non-executive Director

BCom (Law), CA (SA)

Appointed 13 November 2003

Inus has spent many years in the merchant banking industry and now practices as a corporate finance advisor.

Navin Sooka (63)

Independent Non-executive Director

BCom, BCompt (Hons), CA (SA)

Appointed 26 September 2008

Navin has extensive experience in financial positions in the manufacturing industry and within the corporate environment.

KL ("Lawrence") Tlhabane (54)

Independent Non-executive Director

Certificate of Management Advanced Programme (MAP) at Wits Business school

Appointed 1 August 2011

Lawrence is a business man and has spent the last 29 years in the broadcasting and media industries in various positions, including as CEO of the Music Union of South Africa (MUSA) and as director of Real Productions, a company that produces features for TV shows. During his career he has interviewed the likes of Bishop Tutu and Walter Sisulu. In 1997 he was a founding member of KAYA FM.

Angela J Isbister (née Davies) (36)

Executive Director

PGDA (UCT), CA (SA)

Appointed 1 September 2010

Angela joined the group in April 2010. She completed her articles at Deloitte & Touche and worked for them in Johannesburg and San Francisco before moving to the UK where she worked in transactional services and as a financial analyst for a number of large organisations including the National Health Services.

Michelle Mynhardt (43)

Executive Financial Director

BCompt (Hons), CA (SA)

Appointed 1 June 2010

Michelle joined the group in April 2009. She completed her articles at PriceWaterhouseCoopers and later joined KPMG's International Advisory Services department. She has experience in various financial positions and has been in the media industry since 2009.

EXECUTIVE MANAGEMENT

The major subsidiaries of the group are managed by the following senior executives:

Rivak Bunce (54)

United Stations

Rivak has a strong background in training, having managed his own training franchise for several years. He joined Radio 702 in 1987, rising to the position of Sales Manager. He subsequently worked for Primedia group as group sales director until co-founding United Stations in March 2000. He joined the AME group when that company was acquired in November 2002.

David Tiltmann (52)

Umoya Communications – Algoa FM

BCom (Industrial Psychology, Business Economics)

David obtained his BCom from UPE in 1986. He began working for Algoa FM as a freelance announcer in 1989 and has held positions as Music Manager, Programme Manager and Operations Manager since then. He was appointed Managing Director of the station in February 2000. David worked as Broadcast Liaison Officer for the Host Broadcast Services at the 2010 World Cup.

Gary Stroebel (42)

Central Media Group – OFM

BA (Communication), MBA (UFS)

Gary joined OFM in 1996 as a presenter, and has worked as Programme Manager as well as Sales and Marketing Director. In March 2008 he was appointed CEO of the station. Gary obtained his MBA in April 2010.

COMPANY SECRETARY

Chrisna Roberts (41)

BCompt (Hons), CA (SA), RA, MTP

Appointed 1 April 2015

Chrisna did her articles at Lloyd Viljoen Registered Auditors where she subsequently became an audit partner. She is also a partner in Wallrich business services where she is responsible for the Company Secretarial and Tax division.



the sound of your life



In September 2015 OFM presented the first annual OFM Music Awards. South African and International performers were rewarded in five categories including artists of the year male, artist of the year female, duo or group of the year, song of the year and album of the year. OFM listeners got to vote in these categories.

During the awards Taylor Swift won the coveted OFM Music Award for Best International Female Artist at the inaugural OFM Music Awards. The Parlotones were the guest performers during the awards ceremony broadcast on OFM. 36 000 votes were cast during the inaugural OFM music awards.



The pride of central South Africa and new athletics world champion, Wayde van Niekerk, was welcomed home by OFM and many hundreds of fans during his visit to the OFM studios after winning gold in the 400 m at the 2015 World Championships in Athletics in Beijing, China. Here Wayde van Niekerk spends time with his fans while with the OFM team.



OFM turned 30 years young on 1 January 2016. In celebration OFM toured across central South Africa; spending time with listeners and clients celebrating the birthday. The tour across central South Africa included live broadcasts from selected cities to include Kimberley, Bloemfontein and Klerksdorp. During the Bloemfontein broadcast Shaxe Khumalo got in on the action posing with Morph Man 'Dash the Hash'.



The Color Run, also known as the Happiest 5 k on the Planet, is a unique paint race that celebrates healthiness, happiness and individuality. OFM was media partner to two of the events presented in Potchefstroom and Bloemfontein. 5 000 runners joined in on the fun in Potchefstroom with the OFM Street Squad all in yellow sharing the color and individuality.

DinosAlive is a time machine that transported OFM listeners back millions of years. The exhibition featured nine animatronic dinosaurs. OFM was the media partner in the first DinosAlive exhibition held at the Bloemfontein Showgrounds. In the picture Oscar is making friends with a few of the visitors at the DinosAlive exhibition. The event was attended by 30 000.





OFM hosted the annual carols by candlelight in Bloemfontein and Potchefstroom. A family picnic environment was created from the 15 000 listeners who attended and joined Kurt Darren, ADAM, Nia Nell, Elvis Blue and OFM presenters for a night caroling under the stars. A toy donation got you entry to the event. The toys were distributed across central South Africa to orphanages and safe houses for children.



Central Media Group invested into a multimedia home. Central Media Park officially opened in September 2015 and is home to OFM, Digital Platforms, Redstar Agency, Central Outdoor and Mahareng publishing. The 2 000 m² media park seats 150 staff on two floors. The complex includes nine new broadcast and production studios, a cafeteria area with outside seating, four boardrooms, design and development hubs plus a separate loading bay for Mahareng publishing titles.



Arno Carstens was one of four celebrities who lived their own radio dream as radio presenter during 'celeb Radio' on OFM. Each celebrity got the opportunity to present their very own radio show hosted by the breakfast team. Nadine, Monique and Margit Meyer-Rodenbeck together with Arno Carstens featured during 'Celeb Radio'. Here Arno Carstens performs at a by-invite-only intimate function during his time hosting Celeb Radio on OFM.



OFM is proud partner, sponsor and number one supporter of the Free State Cheetahs. During the season and on game days OFM engages with the loyal Cheetah fans at Toyota Park. Here OFM's mascot, Oscar, and promoters get ready to host supporters at the start of the Super Rugby Season at Toyota Park. Rayno Benjamin sports the OFM logo on the Toyota Cheetahs' Curry Cup rugby kit as part of the three year sponsorship agreement that was concluded in 2015. *Photo courtesy of Gallo Images photographer: Johan Pretorius*

Bloemfontein Courant presented the annual Best of Bloemfontein; now in its third year of this project. 122 000 votes were cast in 2015. Voting takes place across one hundred categories – our readers have to then vote for all their favourites. This could be anything from where to buy the best steak to the best beauty salon.



The annual Cherry Festival is hosted in Ficksburg, Eastern Free State. 25 000 people attend the three day event featuring music, food, cherry farm tours and fun for the kids. OFM spent three days broadcasting from the event highlighting the unique events, charisma and hospitality.



your music, your world



GRAHAMSTOWN NATIONAL ARTS FESTIVAL

2 to 12 July 2015

The biggest cultural festival on the African Continent, and a celebration of arts is hosted on the doorstep of Algoa FM's broadcast area, in the small city of Grahamstown. The Grahamstown National Arts Festival showcases multiple genres that promotes the arts and the diverse cultural heritage of South Africa including; drama, dance, physical theatre, comedy, opera, music, jazz, visual art exhibitions, film, student theatre, street theatre, lectures, craft fair and workshops. With over four decades of making artistic history and keeping the arts alive in our region and in South Africa, Algoa FM is proud to be the media sponsor to this iconic festival.



Photo: Cuepix/Sithasolwazi Kentane

SUMMER SEASON ALGOA FM

19 December 2015 to 9 January 2016

With seventeen of SAs blue flag beaches home to Algoa FM's Broadcast region in the Eastern Cape and Garden Route, it is safe to say that Algoa FM owns summer. Algoa FM brings fun and family back to the Summer Holidays with Summer Beach Roadshows from December to January. With the highly anticipated Engen Summer Beach Roadshow, Algoa FM travels to 13 beaches over 13 days, hosting 13 beach activations in the Eastern Cape and Garden Route. Listeners are challenged to hide their technical gadgets and spend quality time with family and friends having some good old fun whether that is building sandcastles or playing tug of war. The possibilities are endless!



ALGOA FM BIG WALK FOR CANCER

Saturday, 31 October 2015

Algoa FM is the proud owner of the 5 km Algoa FM Big Walk for Cancer. The event was started more than seventeen years ago and is the station's biggest CSI initiative that aims to increase awareness about cancer while raising the much-needed funds to support the continued upgrades and development of quality cancer facilities in the region. Participants walk proudly in memory and support of loved ones, knowing that they are making a real difference. In 2015, 11 600 people participated, raising R380 000 in proceeds that was donated to Igazi Foundation.





DISCOVERY SURFERS CHALLENGE

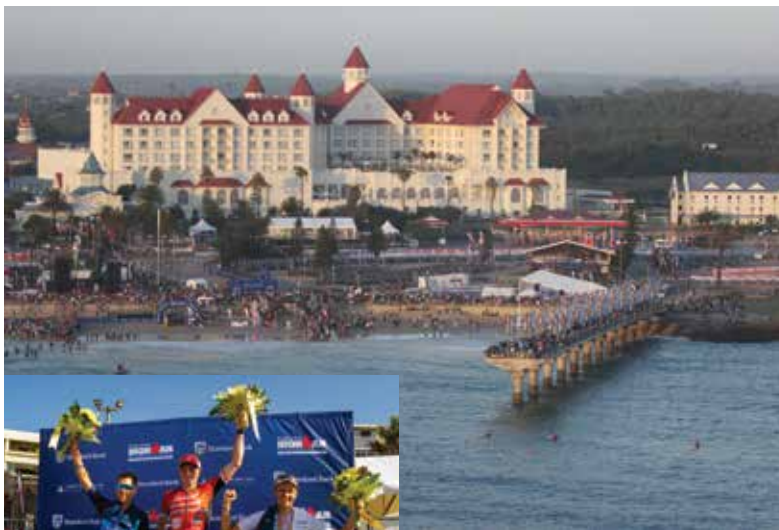
Saturday, 13 February 2016

Algoa FM has been a proud media sponsor to the Discovery Surfers Challenge for the past 10 years, another stalwart event in the Eastern Cape that had over 3 400 participants in 2016. The event is split into four categories; a 5 km, 10 km, 175 km run and a paddle ski challenge across the Nahoon. The main 175 km run starts at Gonubie beach and takes runners across challenging paths where they encounter the obstacles of a rugged seaside course over loose boulders, gulleys, soft sand, and the icy waters of Gonubie and Nahoon rivers.

CONCERT IN THE PARK

2 and 3 April 2016

Algoa FM is a proud media sponsor to the Concert in the Park that is hosted with the aim to develop and nurture an appreciation and enthusiasm of music and the arts in Port Elizabeth. The Concert in the Park reawakens the special pastimes of visiting the park and enjoying a picnic in the open air while listening to the symphonies of the Eastern Cape Philharmonic Orchestra. This year conductor Richard Cock and soloists Trace-Lee Oliver and Samson Diamond entertained more than 2 000 people at Victoria Park, Port Elizabeth.



**STANDARD BANK
IRONMAN AFRICAN CHAMPIONSHIP**

*24 January 2016 (Ironman 70.3),
9 April 2016 (CTC) and 10 April 2016
(Ironman)*

Algoa FM is the exclusive broadcast partner to the Ironman Weekend hosted annually in Port Elizabeth. The weekend kicks off on the Saturday with the Corporate Triathlon Challenge, a friendly team competition amongst corporates and includes a 380 m swim, 18 km bike and 4.2 km run. The extreme challenge takes place on the Sunday, the Standard Bank Ironman African Championship, where athletes dare to be an Ironman participating in the 3.8 km swim, 180.2 km bike and a 42.2 km run.



**JAGUAR SIMOLA HILLCLIMB
IN KNYSNA**

15 to 17 May 2015

Algoa FM is a proud media sponsor to the Jaguar Simola Hillclimb, a premier motorcar festival that includes a showcase of fast cars, and a race up the beautiful Simola Hill in Knysna. The popular festival was started merely six years ago and attracts local and overseas spectators. With 12 242 spectators in 2015 including SA Racecar Sporting Heroes Eben Etzebeth, Juan de Jongh and Duane Vermeulen, it comes as no surprise that the festival sparked both national and international media attention.





CHAIRMAN'S REVIEW

REVIEW OF THE YEAR

Trading conditions for the year under review remained tough. Revenue decreased by 6% to R238,3 million (2015: R254,6 million) and total comprehensive income decreased by 5% to R53,6 million (2015: R56,6 million).

The comprehensive income attributable to equity holders of the parent amounted to R48 million (2015: R49,6 million) with earnings per share of 591,2 cents (2015: 608,2 cents). Headline earnings per share was 587,6 cents (2015: 612,5 cents).

After paying tax of R21,5 million (2015: R23,9 million), the group generated R60,5 million (2015: R55,3 million) in cash from its operating activities. The group invested an additional R5,5 million (2015: R19,6 million) on the development of the new home of the Central Media Group in Bloemfontein and spent R14,1 million (2015: R9,4 million) on capital expenditure. R3,8 million (2015: R83 000) went towards the repurchase of 39 200 (2015: 1 000) shares. During the year the group paid out dividends of R28,2 million (2015: R24,8 million) to the equity holders of the company. The group ended the year with cash resources of R114,1 million (2015: R105,5 million).

OPERATIONS

Low business confidence remains a key challenge across all sectors resulting in demanding trading conditions. Innovation and tight cost control remain an imperative.

Algoa FM delivered another solid performance with year-on-year revenue marginally up and listenership figures slightly down from last year. Significant cost saving measures were implemented by management which contributed to increased profitability. Algoa FM introduced a new events strategy which has the potential to further grow revenue via sponsorship sales of the Big Walk and Algoa Live events.

Central Media Group moved into its custom designed building halfway through the year. This resulted in some disruption, but the consolidation of staff into one building and morale boost from the impressive new accommodation bodes well for the future. Redstar has grown its Promotions portfolio into a national footprint, whilst organising the inaugural Miway Sevens. Mahareng delivered good results given the prevailing market conditions, and Bloemfontein Courant extended its influence and continued to improve profitability. Digital Platforms increased its client portfolio, extending now into Agriculture, Media and Government clients. OFM's audience declined slightly, but in line with demographic changes in the provinces footprint. Overall, the group emerged well from a tumultuous year.

RadioHeads has not been spared the difficult times being experienced by the media industry. The economic slowdown has forced clients to move campaigns to the new financial year. Revenue has been severely affected, but RadioHeads remains geared to take advantage of the expected increase in media spend after the local government elections.

Sales revenue at **United Stations** was down on the previous year, due to the loss of three radio station clients. These stations have since been replaced by five new client stations, covering Gauteng, KwaZulu-Natal, Mpumalanga, North West and the Western Cape. The team is focused on expanding the range of services it offers and remains well positioned to serve its radio stations in the market, despite the challenging conditions that continue to prevail.

DIVIDENDS

An interim dividend (dividend number 8) of 100 cents per ordinary share (gross). (2014: 100 cents gross) was paid on 18 January 2016. The final dividend (dividend number 9) for the year ended 31 March 2016 is 250 cents per ordinary share (gross) (2015: 250 cents per share).

PROSPECTS

The board expects the trading conditions for the 2017 year to remain challenging.

ACG Molusi

Independent non-executive Chairman

17 June 2016

DIRECTORS' REPORT

NATURE OF BUSINESS

The group's main activities are set out on page 2 of this report.

FINANCIAL RESULTS

The financial results of the group and of the company are set out on pages 12 to 20 of this report. A review of the group's results and performance of the business units is given in the Chairman's report on page 8.

DIVIDENDS

An interim dividend of 100 cents (gross) was declared and paid during the year (2015: 100 cents (gross)). A final dividend of 250 cents (gross) was declared after year-end for the period to 31 March 2016 (2015: 250 cents (gross)).

SHARE CAPITAL

Authorised and issued share capital

In accordance with a general authority to repurchase shares granted to the directors of the company at the annual general meeting of the company held on 21 August 2015 (Prior year: 29 August 2014), AME repurchased and subsequently cancelled 39 200 (2015: 1 000) ordinary shares.

The net result of the transaction reduced share capital by R39 200 (2015: R1 000) and share premium by R3,7 million (2015: R0,8 million).

Share repurchases

The company has over the years proposed at its Annual General Meeting ("AGM") a special resolution granting the board a general authority to repurchase shares in the company when deemed appropriate and the board has done so when opportune.

The board considers the approval of such authority to be beneficial to the company and its shareholders and accordingly a resolution granting the authority is incorporated in the notice of the AGM in this annual report.

DIRECTORATE AND SECRETARY

Details of the directorate are given on page 3 of this report. Non-executive Directors only receive remuneration for services as directors, executive directors have service contracts with the company and are salaried directors. Details of their remuneration are set out below:

	Salary 2016 R'000	Salary 2015 R'000	Fees 2016 R'000	Fees 2015 R'000
ACG Molusi*	–	–	95	78
MJ Prinsloo*	–	–	274	239
N Sooka*	–	–	138	112
KL Tlhabane*	–	–	122	74
W Tshuma#	–	–	31	116
AJ Isbister**	4 270	729	–	–
M Mynhardt**	1 365	2 760	–	–
Total remuneration	5 635	3 489	660	619
Paid by the company	5 635	3 489	660	619
Total remuneration	5 635	3 489	660	619

* Independent non-executive director

** Executive director

Resigned 11 June 2015

DIRECTORS' REPORT CONTINUED

BREAKDOWN OF EXECUTIVE DIRECTORS' SALARY	Share options exercised	Salary	Bonus	Total
2016				
AJ Isbister	3 375	795	100	4 270
M Mynhardt	–	965	400	1 365
Total remuneration	3 375	1 760	500	5 635
2015				
AJ Isbister	–	629	100	729
M Mynhardt	1 500	910	350	2 760
Total remuneration	1 500	1 539	450	3 489
SHARE OPTIONS			2016 Options	2015 Options
AJ Isbister			–	50 000
UNIT ALLOCATION			2016 Units	2015 Units
AJ Isbister			25 000	25 000
M Mynhardt			25 000	25 000

In terms of the Memorandum of Incorporation of the company, not less than a third of the non-executive directors retires at the forthcoming annual general meeting and, being eligible, offer themselves for re-election. None of the independent non-executive directors of the company have a director's service contract with the company.

As at 31 March 2016, the aggregate direct and indirect beneficial interests of the directors in the fully paid issued share capital of the company, were nil (2015: nil). There has been no material change in the directors' interests in the issued share capital between 31 March 2016 and the date of this report.

PROPERTY, PLANT AND EQUIPMENT

The group acquired property, plant and equipment at a cost of R19,6 million (2015: R29 million) during the financial year under review, R5,5 million (2015: R19,6 million) of which relates to the property for Central Media Group in Bloemfontein. There have been no major changes in the nature of or the policy relating to the use of property, plant and equipment in the group.

EVENTS SUBSEQUENT TO THE REPORTING PERIOD

The Board declared a final dividend of 250 cents (gross) per ordinary share on 30 May 2016 for the year ended 31 March 2016.

In accordance with a general authority to repurchase shares granted to the directors of the company at the annual general meeting of the company held on 21 August 2015, AME repurchased and subsequently cancelled 155 144 ordinary shares after the reporting and closed period. The net result of the transaction will reduce share capital by R155 144 and share premium by R11 million.

There have been no other matters between the group's year-end and the date of this report that are required to be brought to the attention of the shareholders.

INVESTMENT IN SUBSIDIARY COMPANIES

The financial information in respect of the company's interest in its subsidiary companies is set out in note 5 on page 19 of the financial statements.

The aggregate profits and losses after taxation of the subsidiaries attributable to the company amounted to R53,6 million (2015: R54 million); subsidiaries making profits amounted to R55,6 million (2015: R54,2 million) and subsidiaries making losses amounted to R2 million (2015: R0,2 million).

GOING CONCERN

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis assumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

EMPLOYEE SHARE INCENTIVE SCHEMES

Details of options and units granted to employees, including any executive directors, are detailed in note 24 of the full annual report. The share scheme presently holds 89 275 (2015: 89 275) ordinary shares, none of which have been allocated.

Other than these shares, no further shares have been set aside for the scheme. In terms of the Trust deed, up to 10% of the company's share capital, being 823 716 (2015: 827 637) ordinary shares, can be utilised for purposes of the scheme. At 31 March 2016, 734 441 (2015: 738 362) ordinary shares can still be issued to the share scheme.

STATEMENTS OF FINANCIAL POSITION

as at 31 March 2016

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
ASSETS				
Non-current assets	139 043	125 441	123 136	120 934
Property, plant and equipment	73 996	60 152	12 890	13 019
Goodwill	39 426	39 426	–	–
Investment in subsidiaries	–	–	94 761	91 761
Investment in associated companies	4 603	4 276	–	–
Other financial instruments	9 200	9 200	14 745	15 011
Deferred taxation	11 818	12 387	740	1 143
Current assets	160 747	185 713	82 237	84 403
Trade receivables	41 303	71 634	–	–
Other receivables	4 654	8 242	2 615	5 077
Dividends receivable	–	–	8 000	10 000
Tax paid in advance	738	324	–	–
Cash and cash equivalents	114 052	105 513	71 622	69 326
Total assets	299 790	311 154	205 373	205 337
EQUITY AND LIABILITIES				
Total equity	218 615	201 504	200 039	197 280
Share capital	8 120	8 159	8 237	8 276
Share premium	9 097	12 839	10 746	14 489
Non-distributable reserve	–	–	20 244	20 244
Retained earnings	199 342	179 760	160 812	154 271
Equity attributable to equity holders of the parent	216 559	200 758	200 039	197 280
Non-controlling interest	2 056	746	–	–
Current liabilities	81 175	109 650	5 334	8 057
Trade payables	13 681	37 945	76	32
Other payables	65 037	68 587	3 740	6 538
Dividend payable	1 472	1 245	1 472	1 245
Taxation	985	1 873	46	242
Total equity and liabilities	299 790	311 154	205 373	205 337

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2016

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Revenue	238 303	254 631	4 560	4 560
Cost of sales	(57 104)	(61 047)	–	–
Gross profit	181 199	193 584	4 560	4 560
Operating expenses	(116 766)	(123 428)	(12 202)	(6 456)
Operating profit/(loss)	64 433	70 156	(7 642)	(1 896)
Investment income	3 000	1 750	39 644	49 558
Finance income	6 342	5 879	3 901	3 966
Finance costs	(4)	(6)	–	–
Profits attributable to associates	627	507	–	–
Net profit before taxation	74 398	78 286	35 903	51 628
Taxation	(20 775)	(21 715)	(532)	(731)
Total comprehensive income for the year	53 623	56 571	35 371	50 897
Attributable to:				
Non-controlling interest	5 573	6 942	–	–
Equity holders of the parent	48 050	49 629	35 371	50 897
Earnings/diluted earnings per share (cents)	591,2	608,2	–	–

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 March 2016

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Issued capital	8 120	8 159	8 237	8 276
Balance at beginning of year	8 159	8 160	8 276	8 277
Shares repurchased and cancelled	(39)	(1)	(39)	(1)
Share premium	9 097	12 839	10 746	14 489
Balance at beginning of year	12 839	12 921	14 489	14 571
Shares repurchased and cancelled	(3 742)	(82)	(3 743)	(82)
Non-distributable reserve	–	–	20 244	20 244
Balance at beginning of year	–	–	20 244	20 244
Retained earnings	199 342	179 760	160 812	154 271
Balance at beginning of year	179 760	152 749	154 271	128 205
Change in shareholding	–	1 903	–	–
Comprehensive income for the year	48 050	49 629	35 371	50 897
Dividend declared	(28 468)	(24 521)	(28 830)	(24 831)
Non-controlling interest holders	2 056	746	–	–
Balance at beginning of year	746	2 012	–	–
Change in shareholding	–	(1 912)	–	–
Comprehensive income for the year	5 573	6 942	–	–
Share of dividend	(4 263)	(6 296)	–	–
Total equity	218 615	201 504	200 039	197 280

STATEMENTS OF CASH FLOWS

for the year ended 31 March 2016

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Cash flows from operating activities	60 461	55 322	(1 823)	1 140
Profit before taxation	74 398	78 286	35 903	51 628
Adjustments	(1 865)	(4 278)	(38 002)	(53 689)
– investment income	(3 000)	(1 750)	(39 644)	(49 558)
– finance income	(6 342)	(5 879)	(3 901)	(3 966)
– finance cost	4	6	–	–
– depreciation	5 501	3 595	133	95
– profit on disposal of property, plant and equipment	(408)	–	–	–
– loss on disposal of investment	–	354	–	–
– straight-lining of leases	–	(105)	–	–
– non cash expenditure/(income)	3 007	8	3 007	(293)
– allowance for impairment in subsidiaries	–	–	2 403	33
– income attributable to associates	(627)	(507)	–	–
Operating profit/(loss)before working capital changes	72 533	74 008	(2 099)	(2 061)
– Decrease/(increase) in trade and other receivables	3 098	(636)	(3 299)	(462)
– (Decrease)/increase in trade and other payables	30 912	(23 880)	(545)	(826)
Cash generated by operations	(27 814)	23 244	(2 754)	364
Net interest received	75 631	73 372	(5 398)	(2 523)
Taxation paid	6 338	5 873	3 901	3 966
	(21 508)	(23 923)	(326)	(303)
Cash flows from investing activities	(15 637)	(25 414)	36 504	14 745
Decrease/(increase) in investments and loans	300	826	(5 136)	(24 265)
Purchase of property, plant and equipment	(19 618)	(28 975)	(4)	(814)
Proceeds on disposal of property, plant and equipment	681	985	–	266
Dividends received	3 000	1 750	41 644	39 558
Cash flows from financing activities	(36 285)	(30 674)	(32 385)	(24 914)
Dividend paid to equity holders	(28 241)	(24 295)	(28 604)	(24 831)
Dividend paid to non-controlling interest holder	(4 263)	(6 296)	–	–
Repurchase of shares	(3 781)	(83)	(3 781)	(83)
Net increase/(decrease) in cash and cash equivalents	8 539	(766)	2 296	(9 029)
Cash and cash equivalents at beginning of year	105 513	106 279	69 326	78 355
Cash and cash equivalents at end of year	114 052	105 513	71 622	69 326

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2016

	GROUP		COMPANY	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
1. SHARE CAPITAL				
<i>Authorised</i>				
15 000 000 ordinary shares of R1 each	15 000	15 000	15 000	15 000
<i>Issued</i>				
Ordinary shares of R1 each				
Balance at beginning of the year	8 276	8 277	8 276	8 277
Shares repurchased and cancelled	(39)	(1)	(39)	(1)
Balance at end of the year	8 237	8 276	8 237	8 276
Held by the AME Share Incentive Trust	(89)	(89)	–	–
Held by AME Broadcasting (Pty) Limited	(28)	(28)	–	–
	8 120	8 159	8 237	8 276

Unissued shares

The 6 762 835 (2015: 6 723 634) unissued shares are under the control of the directors in terms of a resolution of members passed at the annual general meeting of shareholders on 21 August 2015. The authority is valid until the next annual general meeting.

2. RELATED PARTIES

Identity of related parties

The subsidiaries of the group are identified in note 5 and the associates of the group are disclosed in note 6. Significant shareholders are detailed on page 21. The directors are listed in the directors' report. Details of key management are listed on page 3.

Related party transactions

Details of the directors' remuneration are listed in the directors' report. Trading transactions occur between subsidiaries and divisions within the group companies and are reversed on consolidation of the accounts.

Details of such transactions, including loans, other receivables, management fees, rental and dividends are detailed below:

	COMPANY			
	2016 R'000	2015 R'000		
2. RELATED PARTIES CONTINUED				
<i>Loan Accounts owing by related parties</i>				
AME Properties (Pty) Limited	37 490	34 490		
Radio Heads (Pty) Limited	11 400	9 000		
Radio Heads Investment Holdings (Pty) Limited	35	33		
Share Incentive Trust	5 545	5 811		
United Stations (Pty) Limited	4 620	4 620		
<i>Amounts included in other receivables regarding related parties</i>				
AME Properties (Pty) Limited	161	73		
Central Media Group (Pty) Limited	182	169		
Umoya Communications (Pty) Limited	221	215		
United Stations (Pty) Limited	23	–		
<i>Amounts included in other payables regarding related parties</i>				
United Stations (Pty) Limited	11	1		
<i>Management fees received from related parties</i>				
Central Media Group (Pty) Limited	1 920	1 920		
Umoya Communications (Pty) Limited	2 400	2 400		
United Stations (Pty) Limited	240	240		
<i>Dividends received from related parties</i>				
AME Broadcasting (Pty) Limited	97	83		
Central Media Group (Pty) Limited	11 987	17 704		
Umoya Communications (Pty) Limited	16 560	20 021		
United Stations (Pty) Limited	8 000	10 000		
	GROUP	COMPANY		
	2016	2015	2016	2015
	R'000	R'000	R'000	R'000
Associates' loan				
Mahareng Publishing (Pty) Limited	3 700	4 000	–	–
Oxford's Office Terrace (Pty) Limited	747	–	747	–
Key management personnel (being the executive management and company secretary as per page 3) remuneration for the period amounted to:				
Basic			4 704	4 416
Medical aid			240	216
Pension			333	329
Bonus			2 488	3 063
			7 765	8 024

Details of guarantees between the holding company and its subsidiaries are contained in note 30 of the full annual financial statements.

None of the directors or major shareholders of the group, nor their families, had any direct or indirect interests in any transaction concluded with the group in the current or prior financial years, other than is disclosed in this note.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 31 March 2016

3. CONTINGENT LIABILITIES

The company stands surety for the liabilities amounting to R1,5 million (2015: R6,6 million) of one of its subsidiary companies for the benefit of Media Credit Co-ordination. The suretyship will remain in force for an indefinite period.

On 14 March 2014 The Supreme Court of Appeal in Bloemfontein ("SCA") delivered its judgement on the National Association of Broadcasters ("NAB") appeal against the judgement of the Copyright Tribunal on the appropriate needletime royalty (subsequently amended on 19 March 2014). The application by The South African Music Performers Rights Association ("SAMPRO") to appeal this judgement was rejected by the SCA. Negotiations are still ongoing to determine if and from which date royalties are payable prior to the judgement date.

The directors consider that adequate provision has been made for this liability under accruals note 13 of the full annual report.

4. SEGMENTAL REPORTING

	Radio broadcasters		Radio services		Corporate		Group total	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Revenue								
Total revenue	194 171	210 278	61 162	60 852	4 926	5 744	260 259	276 874
Internal revenue	–	–	(17 396)	(16 710)	(4 560)	(5 533)	(21 956)	(22 243)
External revenue	194 171	210 278	43 766	44 142	366	211	238 303	254 631
Profitability								
Segment profit from operations	58 915	56 311	8 237	15 691	(2 719)	(1 846)	64 433	70 156
Unallocated/eliminated corporate net expense and intercompany consolidation	409	507	–	–	218	–	627	507
	59 324	56 818	8 237	15 691	(2 501)	(1 846)	65 060	70 663
Investment income							3 000	1 750
Finance income							6 342	5 879
Finance cost							(4)	(6)
Taxation							(20 775)	(21 715)
Profit for the year							53 623	56 571
Assets								
Segment assets	63 076	63 256	37 303	68 141	80 756	69 968	181 135	201 365
Investment in associates	2 862	2 753			1 741	1 523	4 603	4 276
	65 938	66 009	37 303	68 141	82 497	71 491	185 738	205 641
Cash and cash equivalents							114 052	105 513
							299 790	311 154
Liabilities								
Segment liabilities	53 109	49 521	21 955	51 718	6 111	8 411	81 175	109 650
Capital expenditure	13 640	5 353	277	1 050	5 701	22 572	19 618	28 975
Depreciation	4 424	2 599	765	788	312	208	5 501	3 595

	COMPANY	
	2016 R'000	2015 R'000
5. INVESTMENT IN SUBSIDIARIES		
AME Broadcasting (Pty) Limited		
– 100 shares representing a 100% holding*	–	–
United Stations (Pty) Limited		
– Loan	4 620	4 620
AME Properties (Pty) Limited		
– 10 shares representing a 100% holding*	–	–
– Loan	37 490	34 490
Central Media Group (Pty) Limited (t/a OFM)		
– 77 525 shares representing a 70,1% holding	28 968	28 968
Umoya Communications (Pty) Limited (t/a Algoa FM)		
– 1 000 shares representing a 90% holding	23 683	23 683
Radio Heads Investment Holdings (Pty) Limited		
– 1 share representing a 0,1% holding*	–	–
– Loan	35	33
Radio Heads (Pty) Limited		
– 490 shares representing a 49% holding* (effective 49,05%)	–	–
– Loan	11 400	9 000
	106 196	100 794
Provision for impairment in subsidiaries	(11 435)	(9 033)
	94 761	91 761

* Less than R1 000

All subsidiaries have the year end of the company and are incorporated in South Africa.

During the prior year, the company sold the majority of its investment in Radio Heads Investment Holdings (Pty) Limited to a BBBEE partner. The company and group is still consolidated as the company controls the board and administration functions until such a time as the loan has been repaid in full. R8,3 million (2015: R6,7 million) of the loan to Radio Heads (Pty) Ltd is subordinated and the company issued an unlimited surety in favour of the Media Credit Co-ordinator. Loans are impaired where evidence exists that recoverability is uncertain.

The loans to subsidiaries are unsecured and interest free. The subsidiary companies have an unconditional right to defer settlement of the loan for 12 months.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 31 March 2016

	GROUP		COMPANY	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
6. INVESTMENT IN ASSOCIATED COMPANIES				
Mahareng Publishing (Pty) Limited				
– 500 shares representing a 50% holding	1	1	–	–
Share of post acquisition loss	(839)	(1 248)	–	–
Oxford's Office Terrace (Pty) Limited				
– 50 shares representing a 50% holding	1 523	1 523	–	–
Share of post acquisition profit	218	–	–	–
Carrying amounts of investments	903	276	–	–
Mahareng Publishing (Pty) Limited				
– Loan	3 700	4 000	–	–
	4 603	4 276	–	–
<i>The balance comprises:</i>				
Carrying value	5 224	5 524	–	–
Share of post acquisition losses	(621)	(1 248)	–	–
	4 603	4 276	–	–
Mahareng Publishing has a March financial year end				
Summary of the financial information:				
Total assets	6 883	6 603		
Total liabilities	8 559	9 097		
Total net liabilities	(1 676)	(2 494)		
The loan is unsecured and interest-free with no fixed terms of repayment. The associate has an unconditional right to defer settlement of the loan for 12 months.				
Oxford's Office Terrace has an August financial year end. March 2016 management account information has been used.				
Summary of the financial information:				
Total assets	5 186	4 697		
Total liabilities	1 704	1 651		
Total net assets	3 482	3 046		
Reconciliation of the carrying amounts of the investments				
Total net assets	1 806	552		
Proportion of ownership interest held by the group (%)	50	50		
	903	276		

While the investments constitutes a 50% share of the capital in issue, the group, through its voting rights, only exercises significant influence over these entities and not joint control.

7. REPORT OF THE INDEPENDENT AUDITORS

Grant Thornton's unqualified auditor's report included in the annual consolidated financial statements of the full Annual Report is available at the company's registered office.

ANALYSIS OF SHAREHOLDING

for the year ended 31 March 2016

	Number of shares held '000	Shares held %	Number of shareholders	Shareholder %
Size of shareholding				
1 – 1 000	95	1,2	377	71,5
1 001 – 10 000	379	4,6	91	17,3
10 001 – 100 000	1 669	20,3	46	8,7
100 001 +	6 094	73,9	13	2,5
Total	8 237	100,0	527	100,0
Category				
Private individuals	3 883	47,1	390	74,0
Nominee companies or trusts	1 804	21,9	46	8,7
Investment companies	2 291	27,8	71	13,5
Limited companies	10	0,1	1	0,2
Other corporate bodies	249	3,1	19	3,6
Total	8 237	100,0	527	100,0
Shareholder spread				
Non-public shareholders				
AME Broadcasting (Pty) Limited	28	0,3	1	0,2
AME Share Incentive Trust	89	1,1	1	0,2
Shareholders holding more than 5% of the issued ordinary shares				
– Moolman and Coburn Partnership	2 134	25,9	1	0,2
– Frances Elizabeth Coburn	800	9,7	1	0,2
– Golden Hind Partnership	671	8,1	1	0,2
– MGM Family Trust	497	6,0	1	0,2
– Standard Charter Nominee South Africa	414	5,0	1	0,2
	4 633	56,1	7	1,4
Public shareholders	3 604	43,9	520	98,6
Total	8 237	100,0	527	100,0

Directors' interests

There are no directors holding, directly or indirectly, in excess of 1% of the issued share capital of the company on 31 March 2016.

NOTICE OF ANNUAL GENERAL MEETING



AFRICAN MEDIA ENTERTAINMENT

(Incorporated in the Republic of South Africa)
(Registration number 1926/008797/06)
(JSE share code: AME) (ISIN: ZAE000055802)

Notice is hereby given that the eighteenth annual general meeting ("meeting") of shareholders of African Media Entertainment Limited ("AME" or "the company") will be held in the boardroom, Block B, Oxford Office Park, No 5, 8th Street, Houghton Estate, Johannesburg at 10:00 on Thursday, 25 August 2016.

RECORD DATE, ATTENDANCE AND VOTING

The record date for determining which shareholders are entitled to notice of the meeting is Friday, 17 June 2016 and the record date for determining which shareholders are entitled to participate in and vote at the meeting is Friday, 12 August 2016. The last day to trade in order to be eligible to vote at the meeting is accordingly Monday, 8 August 2016.

ELECTRONIC ATTENDANCE AT THE MEETING

The company intends to make provision for the shareholders of the company or their proxies to participate in the meeting by way of electronic communication. Should you wish to participate in the meeting in this manner, you will need to contact the company at 010 590 4554 by 10:00 on Tuesday, 23 August 2016, alternatively, contact the transfer secretaries at 011 370 5122/7873 by 10:00 on Tuesday, 23 August 2016, so that the company can make the necessary arrangements for electronic communication. Should you be participating in the meeting by electronic communication, kindly ensure that the voting proxies are sent to the company or the transfer secretaries by 10:00 on Tuesday, 23 August 2016 at the address set out at the end of this notice of meeting.

PURPOSE OF MEETING

The purpose of this meeting is to present the directors' report and the audited financial statements of the company and the group for the year ended 31 March 2016, and to consider and, if deemed fit, to pass, with or without modification, the resolutions set out below.

ORDINARY RESOLUTIONS

To consider, and, if deemed fit, approve the following ordinary resolutions with or without modification.

Voting requirements: In order to be adopted, all ordinary resolutions require the support of a majority of the votes cast by shareholders present or represented by proxy at this meeting. The quorum for the meeting is 25% of the issued share capital of the company.

1. **Ordinary resolution number 1: adoption of the annual financial statements**

"Resolved that: the annual financial statements of the company and the group for the year ended 31 March 2016 be and are hereby adopted."

Explanation: The reason for and effect of the ordinary resolution number 1 is to receive and adopt the annual financial statements for the company and the group for the year ended 31 March 2016.

2. **Ordinary resolution number 2: to place the unissued shares of the company under the control of the directors**

"Resolved that: all the unissued shares in the capital of the company be placed under the control of the directors in terms of article 6 of the Memorandum of Incorporation of AME, as a general authority in terms of the Companies Act, 2008 (Act 71 of 2008), as amended ("the Act"), who are hereby authorised to allot and issue shares in the capital of the company to those persons, upon such terms and conditions, as the directors in their sole discretion deem fit, until the next annual general meeting, subject to the provisions of the Act and the Listings Requirements of the Johannesburg Stock Exchange ("JSE")

Explanation: In terms of article 6 of the Memorandum of Incorporation of AME and in terms of the general authority of the Act, the authority given at the annual general meeting needs to be renewed.

3. Ordinary resolution number 3: re-election of non-executive Directors

“Resolved that:

3.1 Mr ACG Molusi, who retires by rotation in terms of the Memorandum of Incorporation of the company and who is eligible and available for re-election, be and is hereby re-elected as independent chairman and director of the company.

3.2 Mr N Sooka, who retires by rotation in terms of the Memorandum of Incorporation of the company and who is eligible and available for re-election, be and is hereby re-elected as a director of the company.

Explanation: To re-elect Messrs ACG Molusi and N Sooka, who are recommended by the board and whose appointment automatically terminates on the day of the annual general meeting in terms of article 31 of the Memorandum of Incorporation of the company. Brief biographies of these directors appear on page 3.

The ordinary resolutions number 3.1 and 3.2 will be considered separately.

4. Ordinary resolution number 4: re-appointment of independent auditor

“Resolved that: Grant Thornton Johannesburg Partnership be and is hereby re-appointed as independent auditor of the company from the conclusion of this annual general meeting until the conclusion of the next annual general meeting of the company.”

Explanation: The reason for this ordinary resolution is that the company, being a listed public company, must appoint an independent auditor and have its annual financial statements audited.

5. Ordinary resolution number 5: re-election of the audit committee members and chairman

“Resolved that:

5.1 Mr N Sooka be and is hereby re-elected as a member and chairman of the audit committee until conclusion of the next annual general meeting.

5.2 Mr MJ Prinsloo be and is hereby re-elected as a member of the audit committee until conclusion of the next annual general meeting.

5.3 Mr KL Tlhabane be and is hereby elected as a member of the audit committee until conclusion of the next annual general meeting.”

Explanation: To re-elect Messrs N Sooka, MJ Prinsloo and to elect Mr KL Tlhabane, who are recommended by the board and whose appointment automatically terminates on the day of the annual general meeting. The reason for this ordinary resolution is that at each annual general meeting, a public company must elect an audit and risk committee comprising of at least three members.

Brief biographies of these directors appear on page 3.

The ordinary resolutions number 5.1, 5.2 and 5.3 will be considered separately.

6. Ordinary resolution number 6: authority to sign documentation:

“Resolved that: Any director of the company or the company secretary be and is hereby authorised to take all actions necessary and sign all documentation required to give effect to the ordinary and special resolutions which have been passed at the annual general meeting.”

Explanation: To give authority to any director or the company secretary to sign all documentation required to give effect to the ordinary and special resolutions which have been passed.

NOTICE OF ANNUAL GENERAL MEETING (continued)

SPECIAL RESOLUTIONS

To consider and, if deemed fit, approve the following special resolutions with or without modification.

Voting requirements: In order to be adopted, all special resolutions require the support of 75% or more of the votes cast by shareholders present or represented by proxy at this meeting. The quorum for the meeting is 25% of the issued share capital of the company.

1. Special resolution number 1: general authority for company and/or subsidiary to acquire the company's own shares.

"Resolved that: The company and/or a subsidiary of the company be and is hereby authorised to re-purchase or purchase, as the case may be, ordinary shares issued by the company on such terms and conditions and in such amounts as the directors of the company may decide, but subject always to the provisions of section 48 of the Act, and the Listings Requirements of the JSE, which currently stipulate that:

- the repurchase of securities must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty (reported trades are prohibited);
- at any point in time the company may only appoint one agent to effect any repurchases on the company's behalf;
- the company or any of its subsidiaries may not repurchase securities during a prohibited period as defined in the Listings Requirements of the JSE;
- this general authority shall only be valid until the company's next annual general meeting provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this Special Resolution;
- a paid press announcement will be published as soon as the company has acquired ordinary shares constituting, on a cumulative basis, 3% (three percent) of the number of ordinary shares in issue, at the time of passing of this special resolution, and any 3% (three percent) increments thereafter, which announcements shall contain full details of such acquisitions;
- acquisitions of ordinary shares by the company in terms of this general authority in the aggregate in any one financial year may not exceed 20% (twenty percent) of the company's issued ordinary share capital nor may any subsidiary hold more than 10% (ten percent) of the company's issued share capital at any one time; and
- in determining the price at which ordinary shares issued by the company are acquired in terms of this general authority, the maximum price at which such ordinary shares may be acquired may not be greater than 10% (ten percent) above the weighted average of the market price at which such ordinary shares traded on the JSE over the 5 (five) business days immediately preceding the date on which the transaction is effected.

The general authority to repurchase the company's shares will be acted upon within the parameters laid down by the JSE, as and when the directors deem it to be appropriate. After considering the effect of a general repurchase within these parameters, the directors are of the view that for a period of at least 12 (twelve) months after the date of this notice of meeting:

- AME and the group will be able in the ordinary course of business to pay its debts;
- the assets of AME and the group, fairly valued in accordance with accounting policies used in the latest audited report, will be in excess of the liabilities of the company and the group;
- the ordinary capital and reserves of AME and the group will be adequate for the purposes of the company's and the group's businesses respectively; and
- the working capital of AME and the group will be adequate for their requirements."

The reason for this special resolution is to grant a general approval in terms of the Act and the Listings Requirements of the JSE for the acquisition by the company and/or a subsidiary of shares issued by the company, subject to statutory and regulatory limitations and controls.

The effect of this special resolution is to enable the company and/or a subsidiary, by way of a general approval, to repurchase up to a maximum of 20% (twenty percent) of its share capital in any one financial year.

Explanation: The reason for and effect of special resolution number 1 is to give a mandate to the directors to re-purchase or purchase ordinary shares issued by the company.

2. Special resolution number 2: approval of non-executive directors' fees

"Resolved that: The remuneration of the non-executive directors be and is hereby increased with effect from 1 April 2016 as set out below:

Directors' fees are payable per meeting attended:	R
Board	
Chairman	19 600
Other	13 900
Audit committee	
Chairman	13 400
Other	9 300
Remuneration committee	
Chairman	13 400
Other	9 300
Social and ethics committee	
Chairman	13 400

Explanation: The reason for and effect of special resolution number 2 is to grant the company the authority to pay fees to non-executive directors for their services as directors.

3. Special resolution number 3: financial assistance to related or inter-related entities to the company

"Resolved that: The board of directors is authorised, in terms of and subject to the provisions of section 45 of the Act, to cause the company to provide financial assistance to any company or corporation that is related or inter-related to the company."

Explanation: The reason for and effect of special resolution number 3 is to grant to the directors of the company the authority to cause the company to provide financial assistance to any entity which is related or inter-related to the company. This special resolution does not authorise the provision of financial assistance to a director or prescribed officer of the company.

4. Special resolution number 4: financial assistance for subscription for or purchase of securities by related or inter-related entities to the company

"Resolved that: The board of directors is authorised, in terms of and subject to the provisions of section 44 of the Act, to cause the company to provide financial assistance to any company or corporation that is related or inter-related to the company for the subscription for or purchase of securities in the company or in any company or corporation that is related or inter-related to the company."

Explanation: The reason for and effect of special resolution number 4 is to grant the directors of the company the authority to cause the company to provide financial assistance to any entity which is related or inter-related to the company for the subscription for or purchase of securities in the company or in any company or corporation that is related or inter-related to the company. This special resolution does not authorise the provision of financial assistance to a director or prescribed officer of the company for the subscription for or purchase of securities in the company or in any company or corporation that is related or inter-related to the company.

Additional disclosure requirements in terms of the JSE Listings Requirements

As per section 11.26(b) of the Listings Requirements of the JSE, shareholders are referred to the following sections in the annual report to which this notice of annual general meeting is attached:

- Details of directors on page 3;



NOTICE OF ANNUAL GENERAL MEETING (continued)

- Directors' interest in securities commencing on page 16 (which beneficial interests have not changed since 31 March 2016. There are no non-beneficial interests);
- Major shareholders on page 21;
- Material changes in the nature of the company's trading or financial position post 31 March 2016 on page 11;
- The Share Capital note 1 on page 16.

LITIGATION STATEMENT

The directors are not aware of any legal or arbitration proceedings active, pending or threatened against or being brought by the company, which may have a material effect on the group's financial position or which have had a material effect during the 12 months preceding the date of this notice of annual general meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names have been given on page 3 of this annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to special resolution 1, 2, 3 and 4 and certify that to the best of their knowledge and belief, there are no facts which have been omitted, which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the resolution contain all information relevant to special resolution number 1, 2, 3 and 4.

MATERIAL CHANGES

Other than the facts and developments reported on in the annual financial statements, there have been no material changes in the affairs or financial position of the company and its subsidiaries since the date of signature of the audit report and up to the date of this notice.

VOTING AND PROXIES

Each shareholder who, being a natural person, is present in person, by proxy or agent, or, being a company, is represented by representative proxy or agent at the general meeting, is entitled to one vote on a show of hands. On a poll, each shareholder, whether present in person or by proxy or by representation, is entitled to one vote for each share held.

A form of proxy is attached for use by certificated or own name shareholders who are unable to attend the general meeting but wish to be represented thereat. They are required to complete and return the form of proxy so as to be received by the transfer secretaries of the company, Computershare Investor Services Proprietary Limited (70 Marshall Street, Johannesburg, 2001 or PO Box 61051, Marshalltown, 2107) not later than 10:00 on Tuesday, 23 August 2016.

Shareholders who have dematerialised their shares through a Central Securities Depository Participant ("CSDP") or broker, other than by own name registration and who wish to attend the annual general meeting must instruct their CSDP or broker to issue them with the necessary letter or representation to attend the meeting, in terms of the custody agreement entered into between such shareholders and their CSDP or broker.

Shareholders who have dematerialised their shares through a CSDP or broker, other than by own name registration, who wish to vote by way of proxy should provide their CSDP or broker with their voting instructions by the cut-off time or date advised by their CSDP or broker for transactions of this nature.

Each certificated or own name dematerialised shareholder entitled to attend and vote at the general meeting may appoint one or more proxies (none of whom need be an AME shareholder) to attend, speak and vote in his/her stead. The completion and lodging of a form of proxy will not preclude a shareholder from attending the meeting and speaking and voting thereat to the exclusion of the proxy so appointed.

By order of the board

C Roberts

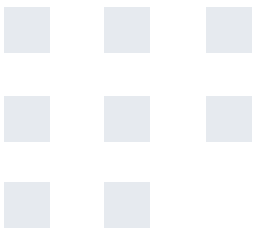
Company Secretary

17 June 2016



SUMMARY OF RIGHTS ESTABLISHED BY SECTION 58 OF THE COMPANIES ACT, AS REQUIRED IN TERMS OF SUB-SECTION 58(8)(B)(I)

1. A shareholder may at any time appoint any individual, including a non-shareholder of the Company, as a proxy to participate in, speak and vote at a shareholders' meeting on his or her behalf (section 58(1)(a)), or to give or withhold consent on behalf of the shareholder to a decision in terms of section 60 (shareholders acting other than at a meeting) (section 58(1)(b)).
2. A proxy appointment must be in writing, dated and signed by the shareholder, and remains valid for one year after the date on which it was signed or any longer or shorter period expressly set out in the appointment, unless it is revoked in terms of paragraph 6.3 or expires earlier in terms of paragraph 10.4 below (section 58(2)).
3. A shareholder may appoint two or more persons concurrently as proxies and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder (section 58(3)(a)).
4. A proxy may delegate his or her authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy ("proxy instrument") (section 58(3)(b)).
5. A copy of the proxy instrument must be delivered to the company, or to any other person acting on behalf of the company, before the proxy exercises any rights of the shareholder at a shareholders' meeting (section 58(3)(c)) and in terms of the Memorandum of Incorporation ("MOI") of the company at least 48 hours before the meeting commences.
6. Irrespective of the form of instrument used to appoint a proxy:
 - 6.1 the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder (section 58(4)(a));
 - 6.2 the appointment is revocable unless the proxy appointment states otherwise (section 58(4)(b)); and
 - 6.3 if the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing or by making a later, inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the company (section 58(4)(c)).
7. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered as contemplated in paragraph 6.3 above (section 58(5)).
8. If the proxy instrument has been delivered to the company, as long as that appointment remains in effect, any notice required by the Companies Act or the company's MOI to be delivered by the company to the shareholders must be delivered by the company to the shareholders (section 58(6)(a)), or the proxy or proxies, if the shareholder has directed the company to do so in writing and paid any reasonable fee charged by the company for doing so (section 58(6)(b)).
9. A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the MOI or proxy instrument provides otherwise (section 58(7)).
10. If the company issues an invitation to shareholders to appoint one or more persons named by the company as a proxy, or supplies a form of proxy instrument:
 - 10.1 the invitation must be sent to every shareholder entitled to notice of the meeting at which the proxy is intended to be exercised (section 58(8)(a));
 - 10.2 the invitation or form of proxy instrument supplied by the company must:
 - 10.2.1 bear a reasonably prominent summary of the rights established in section 58 of the Companies Act (section 58(8)(b)(i));
 - 10.2.2 contain adequate blank space, immediately preceding the name(s) of any person(s) named in it, to enable a shareholder to write the name, and if desired, an alternative name of a proxy chosen by the shareholder (section 58(8)(b)(ii)); and
 - 10.2.3 provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution(s), to be put at the meeting, or is to abstain from voting (section 58(8)(b)(iii));
 - 10.3 the company must not require that the proxy appointment be made irrevocable (section 58(8)(c)); and
 - 10.4 the proxy appointment remains valid only until the end of the meeting at which it was intended to be used, subject to paragraph 7 above (section 58(8)(d)).



FORM OF PROXY



AFRICAN MEDIA
ENTERTAINMENT

(Incorporated in the Republic of South Africa)
(Registration number 1926/008797/06)
(JSE share code: AME)
(ISIN: ZAE000055802)
("AME" or "the company")

For use by certificated shareholders and dematerialised shareholders with own name registration at the eighteenth annual general meeting of the holders of ordinary shares in the company ("AME shareholders") to be held in the boardroom, Block B, Oxford Office Park, No 5, 8th Street, Houghton Estate, Johannesburg, at 10:00 on Thursday, 25 August 2016 ("the annual general meeting").

I/We

being the registered holder/s of _____ ordinary shares in the capital of the company, of (address): _____

hereby appoint (see note 1):

1. _____ or failing him/her,

2. _____ or failing him/her,

3. the chairman of the annual general meeting,

as my/our proxy to act for me/us at the annual general meeting for the purposes of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat, and at each adjournment thereof, and to vote for or against the resolutions or abstain from voting in respect of the ordinary shares registered in my/our name/s in accordance with the following instructions (see note 2):

Resolution number	For	Against	Abstain
Ordinary resolutions			
1 To adopt the annual financial statements for the year ended 31 March 2016			
2 To place the unissued ordinary shares of the company under the control of the directors			
3.1 To re-elect Mr ACG Molusi as chairman and director of the company			
3.2 To re-elect Mr N Sooka as a director of the company			
4 To re-appoint Grant Thornton Johannesburg Partnership, as the independent auditor			
5.1 To re-elect Mr N Sooka as chairman and member of the audit committee			
5.2 To re-elect Mr MJ Prinsloo as member of the audit committee			
5.3 To elect Mr KL Tlhabane as member of the audit committee			
6 To authorise a director or company secretary to sign documentation to effect resolutions passed			
Special resolutions			
1 To approve the general authority for the company and/or the subsidiary to acquire the company's own shares			
2 To approve the remuneration of the non-executive directors			
3 To approve financial assistance to related or inter-related entities to the company			
4 To approve financial assistance for subscription for purchase of securities by related or inter-related entities to the company			

Signed at _____ on _____ 2016

Signature _____

Assisted by (where applicable state capacity and full name) _____

Each AME shareholder is entitled to appoint one or more proxy/ies (who need not be a shareholder/s of the company) to attend, speak and vote in his or her stead at the annual general meeting.

Please read the notes on the reverse side hereof.



NOTES

1. An AME shareholder may insert the name of a proxy or the names of two alternative proxies of his/her choice in the space/s provided, with or without deleting “the chairman of the annual general meeting”; but any such deletion must be initialled by the AME shareholder concerned. The person whose name appears first on the form of proxy and who is present at the annual general meeting, will be entitled to act as proxy to the exclusion of those names that follow.
2. An AME shareholder’s instruction to the proxy must be shown by indicating in the appropriate boxes provided the manner in which that AME shareholder wishes to vote by inserting an “X” in the relevant box unless a shareholder wishes to split his/her votes. In this case the relevant number of shares to be so voted must be indicated in the relevant box. Failure to comply with the above will be deemed to authorise the proxy to vote, or abstain from voting, at the annual general meeting as he/she deems fit in respect of all the AME shareholder’s votes exercisable thereat.
3. An AME shareholder or his/her proxy is not obliged to use all the votes exercisable by the member or to cast all these votes exercised in the same way, but the total of the votes cast, and in respect whereof abstention is recorded, may not exceed the total of the votes exercisable by the member. Failure to comply with the above will be deemed to be authority to the chairman of the annual general meeting, if he is the authorised proxy, to vote in favour of the resolutions proposed at the annual general meeting or any other proxy to vote or abstain from voting, at the annual general meeting as he deems fit, in respect of the shares concerned.
4. Forms of proxy and any power of attorney by virtue of which such proxy is signed (or a notarially certified copy of such power of attorney) must be lodged at or posted to the transfer secretaries of the company, Computershare Investor Services (Proprietary) Limited (70 Marshall Street, Johannesburg 2001 or PO Box 61051, Marshalltown 2107), to be received by no later than 10:00 on Tuesday, 23 August 2016.
5. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company’s secretary or waived by the chairman of the annual general meeting.
7. If you are a dematerialised shareholder, other than by own name registration, you must inform your appointed Central Securities Depository Participant (“CSDP”) or broker of the manner in which you wish to vote in order for them to notify the secretary by no later than 10:00 on Tuesday, 23 August 2016. Only registered certificated shareholders recorded in the main register of members of the company or under own names in the dematerialised register, may complete a form of proxy or alternatively attend the annual general meeting. Those dematerialised shareholders who are not registered under their own names who wish to attend the annual general meeting or vote by proxy must contact their CSDP or broker who will provide them with the necessary authority to do so, or carry out their instructions.
8. This must be done in terms of the agreement between the shareholder and his/her CSDP as applicable.
9. The chairman of the annual general meeting may reject or accept any proxy form which is completed and /or received, other than in compliance with the Memorandum of Incorporation of the company or these notes.

CORPORATE INFORMATION

AFRICAN MEDIA ENTERTAINMENT LIMITED

Incorporated in the Republic of South Africa
Registration number 1926/008797/06
Share code: AME
ISIN: ZAE000055802

AUDITOR

Grant Thornton

Chartered Accountants (SA)
Registered Auditor
52 Corlett Drive
Wanderers Office Park
Illovo, 2196

BANKERS

ABSA Capital CIBW

15 Alice Lane
Sandton, 2196

LEGAL ADVISORS

Fluxmans Attorneys

30 Jellicoe Avenue
Rosebank
Johannesburg, 2196

SECRETARY AND REGISTERED OFFICE

C Roberts

Block A, Oxford Office Park
No. 5, 8th Street
Houghton Estate
Johannesburg, 2198

PO Box 3014, Houghton, 2041

SPONSOR

Arbor Capital Sponsors (Pty) Limited

Registration number 2006/033725/07
Ground Floor, One Health Building
Woodmead North Office Park
54 Maxwell Drive
Woodmead, 2191

Suite #439, Private Bag X29, Gallo Manor, 2052

TRANSFER SECRETARIES

Computershare Investor Services (Pty) Limited

Registration number 2004/003647/07
Ground Floor, 70 Marshall Street
Johannesburg, 2001

PO Box 61051, Johannesburg, 2107

Telephone: +27 11 370 5000

Telefax: +27 11 688 5238



AFRICAN MEDIA
ENTERTAINMENT

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