

CHAIRMAN'S REVIEW

Review of the six months ended 30 September 2015

Trading conditions for the period under review were tough with lower growth in revenue. Our operations experienced an increase in revenue of 5% to R123 million (2014 R117,1 million). Comprehensive income decreased by 4% to R21,6 million (2014 R22,5 million).

The comprehensive income attributable to equity holders of the parent amounted to R19,5 million (2014: R19,4 million) with earnings per share of 239,2 cents (2014: 237,8 cents). Headline earnings per share was 239,2 cents (2014: 236,3 cents).

After paying tax of R12,7 million (2014: R13,0 million), the group generated R19,9 million (2014: R10,2 million) in cash from its operating activities during the year. The group invested R13,5 million (2014: R6,2 million) on the development of the site in Bloemfontein earmarked to be the new home of the Central Media Group and spent R2,7 million (2014: R2,8 million) on capital expenditure. The group paid R3,8 million (2014: R83 000) to repurchase 39 200 (2014:1 000) of its own shares. During the period the group paid out dividends of R20,2 million (2014: 19,9 million) to the equity holders of the company. The group ended the period with cash resources of R86,5 million (2014: R88,5 million).

Operations

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

AlgoaFM has delivered stable results. Advertising revenue is still constrained by the relatively weak local direct market which is largely Eastern Cape based. Cost containment is a major focus and has contributed to the profitability of the radio station. Listenership has shown growth year on year. Algoa FM remains committed to the community in its broadcast footprint and the annual Algoa FM Big Walk for Cancer charity event attracted 11 900 participants. This event was presented by the Department of Health, Eastern Cape.

Trading conditions for **Central Media Group** remain tight as the effects of a sluggish economy combined with the severe drought taking hold. The radio broadcaster, OFM, is performing close to expectation, mostly due to good cost control. Redstar has won new contracts across the region and has been able to move that revenue to the bottom line. Digital Platforms is also tracking ahead of expectation with a few new national customers. Mahareng Publishing is experiencing the slowdown in national print confidence after good growth off a low base.

The first six months of this financial year have been a tough trading period for Media in general, and **RadioHeads** was affected with the first six months performing below par compared to the same period in the previous financial period. Clients are currently taking longer to sign off on campaigns, while at the same time shifting campaigns to the last quarter of 2015 and the first quarter of 2016.

United Stations has grown sales revenue year on year. The two stations lost from their portfolio were replaced by four new client stations, covering KZN, Mpumalanga, North West and Western Cape, whilst KAYA gave notice of their intention to appoint another sales house. United Stations remains well positioned to serve its radio stations in the national radio advertising market despite the challenging conditions.

Dividends

A final dividend (dividend no 7) of 250 cents per ordinary share (gross) was declared for the year ended 31 March 2015 (2014: 200 cents gross) and paid on 13 July 2015. The interim dividend (dividend no 8) for the period ended 30 September 2015 is 100 cents per ordinary share (gross) (2014: 100 cents per share).

Declaration of interim dividend no 8

The board has declared an interim dividend (dividend no 8) of 100,00 cents per ordinary share (gross) for the period ended 30 September 2015. The dividend is subject to the Dividends Withholding Tax ("DWT") that was introduced with effect from 1 April 2012. In accordance with the provisions of the JSE Listings Requirements, the following additional information is disclosed:

- the dividend has been declared out of current profits available for distribution;
- the local Dividend Tax rate is 15%;
- the gross dividend amount is 100,00 cents per ordinary share for shareholders exempt from DWT;
- the net dividend amount is 85,00 cents per ordinary share for shareholders liable for DWT;
- the company has 8 237 165 ordinary shares in issue;
- the company's income tax reference number is 9100/169/71/4.

The following dates are applicable to the dividend:

The last day to trade in order to be eligible for the dividend will be Friday 8 January 2016.

Shares will trade ex-dividend from Monday 11 January 2016.

The record date will be Friday 15 January 2016 and payment will be made on Monday 18 January 2016.

Share certificates may not be dematerialised/rematerialised between Monday 11 January 2016 and Friday 15 January 2016, both days inclusive.

Prospects

The board expects the trading conditions for the remaining six months of the year to remain challenging.

ACG Molusi

Independent Non-executive Chairman

26 November 2015

These condensed results have been prepared by the financial director in accordance with International Financial Reporting Standards ("IFRS"), the Companies Act no. 71 of 2008, as amended, IAS 34: Interim Financial Reporting, the Listings Requirements of the Johannesburg Stock Exchange and the SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee on a basis consistent with the policies and methods of computation as used in the annual financial statements for the year ended 31 March 2015.

These results are unaudited.

Michelle Mynhardt (CA/SA)

Financial director

AFRICAN MEDIA ENTERTAINMENT LIMITED

Incorporated in the Republic of South Africa

Registration number 1926/008797/06

JSE code: AME ISIN: ZAE000055802

("AME," "the company" or "the group")

REGISTERED OFFICE

Block A, Oxford Office Park
No. 5, 8th Street, Houghton Estate, Johannesburg, 2198
PO Box 3014, Houghton, 2041

TRANSFER SECRETARIES

Computershare Investor Services (Pty) Limited
Registration number 2004/003647/07
Ground Floor, 70 Marshall Street, Johannesburg, 2001
PO Box 61051, Marshalltown, 2107
Telephone: +27 11 370 5000
Telefax: +27 11 688 5238

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
PO Box 62397, Marshalltown, 2107

DIRECTORS

ACG Molusi (*Independent Non-executive Chairman*)
KL Tlhabane*, MJ Prinsloo*, N Sooka*
M Mynhardt (*Executive Financial Director*)
AJ Isbister (*Executive Director*)
**Independent Non-executive Director*

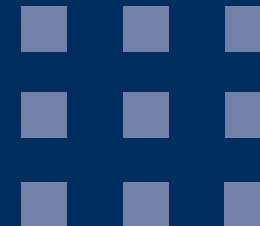
COMPANY SECRETARY

C Roberts

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UNAUDITED RESULTS

for the six months ended 30 September 2015



AFRICAN MEDIA ENTERTAINMENT

CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

	Unaudited six months to 30 September 2015 R'000	Unaudited six months to 30 September 2014 R'000	Audited year ended 31 March 2015 R'000
Revenue	5	117 121	254 631
Cost of sales	8	(31 385)	(61 047)
Gross profit	89 057	85 736	193 584
Operating expenses	(64 092)	(59 086)	(123 428)
Operating profit	(6)	24 965	70 156
Investment income	1 500	1 750	1 750
Finance income	3 039	2 821	5 879
Finance cost	(1)	(2)	(6)
Profits attributable to associates	137	118	507
Net profit before taxation	(5)	29 640	78 286
Taxation	(8 041)	(8 816)	(21 715)
SA normal taxation	(9 126)	(9 797)	(22 359)
Deferred taxation	1 085	981	644
Total comprehensive income for the period	(4)	21 599	56 571
Total comprehensive income attributable to:			
Non-controlling interest holders	2 139	3 118	6 942
Equity holders of the parent	0,3	19 460	49 629
Earnings per share (cents)	0,6	239,2	237,8
Headline earnings per share (cents)	1,2	239,2	236,3
Dividends per share (cents)		100	100
Weighted average number of shares in issue (000's)	8 137	8 160	8 160
Headline earnings reconciliation			
Profit attributable to equity holders	19 460	19 403	49 629
(Profit)/loss on disposal of investment/fixed assets	-	(162)	354
Tax on disposal of assets	-	45	-
Headline earnings	19 460	19 286	49 983

CONSOLIDATED CONDENSED STATEMENTS OF FINANCIAL POSITION

	Unaudited 30 September 2015 R'000	Unaudited 30 September 2014 R'000	Audited 31 March 2015 R'000
Assets			
Non-current assets	140 670	108 409	125 441
Property, plant and equipment	73 899	43 011	60 152
Goodwill	39 426	39 426	39 426
Investments	13 873	13 248	13 476
Deferred taxation	13 472	12 724	12 387
Current assets	160 855	168 251	185 713
Trade receivables	65 251	71 253	71 634
Other receivables	6 650	7 759	8 242
Tax paid in advance	2 444	694	324
Cash and cash equivalents	86 510	88 545	105 513
Total assets	301 525	276 660	311 154
Equity and liabilities			
Total equity	198 961	178 195	201 504
Current liabilities	102 564	98 465	109 650
Trade payables	32 406	42 735	37 945
Other payables	68 298	54 004	68 587
Dividend payable	1 399	1 170	1 245
Taxation	461	556	1 873
Total equity and liabilities	301 525	276 660	311 154

CONSOLIDATED CONDENSED STATEMENTS OF CHANGES IN EQUITY

	Unaudited six months to 30 September 2015 R'000	Unaudited six months to 30 September 2014 R'000	Audited year ended 31 March 2015 R'000
Issued capital			
Balance at beginning of period	8 159	8 160	8 160
Shares repurchased	(39)	(1)	(1)
Balance at end of period	8 120	8 159	8 159
Share premium			
Balance at beginning of period	12 839	12 921	12 921
Shares repurchased	(3 769)	(82)	(82)
Balance at end of the period	9 070	12 839	12 839
Retained profit			
Balance at beginning of period	179 760	152 749	152 749
Change in shareholding	-	9	1 903
Total comprehensive income for the period	19 460	19 403	49 629
Dividend	(20 334)	(16 403)	(24 521)
Balance at end of period	178 886	155 758	179 760
Non-controlling interests			
Balance at beginning of period	746	2 012	2 012
Change in shareholding	-	(18)	(1 912)
Share of total comprehensive income for the period	2 139	3 118	6 942
Share of dividend	-	(3 673)	(6 296)
Balance at end of period	2 885	1 439	746
Total capital and reserves	198 961	178 195	201 504

CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS

	Unaudited six months to 30 September 2015 R'000	Unaudited six months to 30 September 2014 R'000	Audited year ended 31 March 2015 R'000
Cash generated by operating activities	27 379	28 508	74 008
Net interest received	3 038	2 819	5 873
Taxation paid	(12 658)	(13 048)	(23 923)
Decrease/(increase) in working capital	2 149	(8 040)	(636)
Cash flows from operating activities	19 908	10 239	55 322
Cash flows from investing activities	(18 730)	(8 048)	(25 497)
Cash flows from financing activities [*]	(20 181)	(19 925)	(30 591)
Net decrease in cash and cash equivalents	(19 003)	(17 734)	(766)
Cash and cash equivalents at beginning of period	105 513	106 279	106 279
Cash and cash equivalents at end of period	86 510	88 545	105 513

^{*} Dividends paid

SEGMENTAL REPORTING

	Unaudited six months to 30 September 2015 R'000	Unaudited six months to 30 September 2014 R'000	Audited year ended 31 March 2015 R'000
Revenue			
Radio Broadcasting	90 290	84 779	210 278
Sales houses	32 742	32 342	44 142
Corporate	-	-	211
Total	123 032	117 121	254 631
Profitability			
Radio Broadcasting	24 363	26 831	56 311
Sales houses	2 469	4 851	15 691
Corporate	(1 867)	(5 032)	(1 846)
Total operating profit	24 965	26 650	70 156
Unallocated/eliminated corporate net expense and intercompany consolidation	137	118	507
Investment income	1 500	1 750	1 750
Interest received	3 039	2 821	5 879
Interest paid	(1)	(2)	(6)
Taxation	(8 041)	(8 816)	(21 715)
Total comprehensive income for the period	21 599	22 521	56 571
Assets			
Radio Broadcasting	77 972	55 544	66 009
Sales houses	61 984	70 340	68 141
Corporate	75 059	62 231	71 491
Total	215 015	188 115	205 641
Liabilities			
Radio Broadcasting	50 457	26 086	49 521
Sales houses	46 803	62 974	51 718
Corporate	5 304	9 405	8 411
Total	102 564	98 465	109 650
Capital expenditure			
Radio Broadcasting	11 202	951	5 353
Sales houses	130	7 633	1 050
Corporate	4 830	378	22 572
Total	16 162	8 962	28 975
Depreciation			
Radio Broadcasting	1 833	1 346	2 599
Sales houses	426	375	788
Corporate	156	44	208
Total	2 415	1 765	3 595