

## 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

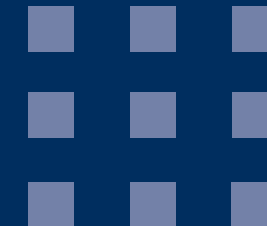
### COMPANY SECRETARY

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[WWW.AME.CO.ZA](http://WWW.AME.CO.ZA)

# 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
<b>Revenue</b>	5	123 032	117 121
Cost of sales	8	(33 975)	(61 047)
<b>Gross profit</b>	<b>89 057</b>	85 736	193 584
Operating expenses	<b>(64 092)</b>	(59 086)	(123 428)
Operating profit	(6)	24 965	26 650
Investment income	<b>1 500</b>	1 750	1 750
Finance income	<b>3 039</b>	2 821	5 879
Finance cost	<b>(1)</b>	(2)	(6)
Profits attributable to associates	<b>137</b>	118	507
Net profit before taxation	(5)	29 640	31 337
Taxation	<b>(8 041)</b>	(8 816)	(21 715)
SA normal taxation	<b>(9 126)</b>	(9 797)	(22 359)
Deferred taxation	<b>1 085</b>	981	644
<b>Total comprehensive income for the period</b>	<b>(4)</b>	<b>21 599</b>	22 521
<b>Total comprehensive income attributable to:</b>			
Non-controlling interest holders	<b>2 139</b>	3 118	6 942
Equity holders of the parent	0,3	19 460	19 403
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)	<b>100</b>	100	350
Weighted average number of shares in issue (000's)	<b>8 137</b>	8 160	8 160
<b>Headline earnings reconciliation</b>			
Profit attributable to equity holders	<b>19 460</b>	19 403	49 629
(Profit)/loss on disposal of investment/fixed assets	-	(162)	354
Tax on disposal of assets	-	45	-
<b>Headline earnings</b>	<b>19 460</b>	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
<b>Assets</b>			
<b>Non-current assets</b>	<b>140 670</b>	108 409	125 441
Property, plant and equipment	<b>73 899</b>	43 011	60 152
Goodwill	<b>39 426</b>	39 426	39 426
Investments	<b>13 873</b>	13 248	13 476
Deferred taxation	<b>13 472</b>	12 724	12 387
<b>Current assets</b>	<b>160 855</b>	168 251	185 713
Trade receivables	<b>65 251</b>	71 253	71 634
Other receivables	<b>6 650</b>	7 759	8 242
Tax paid in advance	<b>2 444</b>	694	324
Cash and cash equivalents	<b>86 510</b>	88 545	105 513
<b>Total assets</b>	<b>301 525</b>	276 660	311 154
<b>Equity and liabilities</b>			
<b>Total equity</b>	<b>198 961</b>	178 195	201 504
<b>Current liabilities</b>	<b>102 564</b>	98 465	109 650
Trade payables	<b>32 406</b>	42 735	37 945
Other payables	<b>68 298</b>	54 004	68 587
Dividend payable	<b>1 399</b>	1 170	1 245
Taxation	<b>461</b>	556	1 873
<b>Total equity and liabilities</b>	<b>301 525</b>	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
<b>Issued capital</b>			
Balance at beginning of period	<b>8 159</b>	8 160	8 160
Shares repurchased	<b>(39)</b>	(1)	(1)
Balance at end of period	<b>8 120</b>	8 159	8 159
<b>Share premium</b>			
Balance at beginning of period	<b>12 839</b>	12 921	12 921
Shares repurchased	<b>(3 769)</b>	(82)	(82)
Balance at end of the period	<b>9 070</b>	12 839	12 839
<b>Retained profit</b>			
Balance at beginning of period	<b>179 760</b>	152 749	152 749
Change in shareholding	-	9	1 903
Total comprehensive income for the period	<b>19 460</b>	19 403	49 629
Dividend	<b>(20 334)</b>	(16 403)	(24 521)
Balance at end of period	<b>178 886</b>	155 758	179 760
<b>Non-controlling interests</b>			
Balance at beginning of period	<b>746</b>	2 012	2 012
Change in shareholding	-	(18)	(1 912)
Share of total comprehensive income for the period	<b>2 139</b>	3 118	6 942
Share of dividend	-	(3 673)	(6 296)
Balance at end of period	<b>2 885</b>	1 439	746
<b>Total capital and reserves</b>	<b>198 961</b>	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	<b>27 379</b>	28 508	74 008
Net interest received	<b>3 038</b>	2 819	5 873
Taxation paid	<b>(12 658)</b>	(13 048)	(23 923)
Decrease/(increase) in working capital	<b>2 149</b>	(8 040)	(636)
Cash flows from operating activities	<b>19 908</b>	10 239	55 322
Cash flows from investing activities	<b>(18 730)</b>	(8 048)	(25 497)
Cash flows from financing activities <sup>*</sup>	<b>(20 181)</b>	(19 925)	(30 591)
Net decrease in cash and cash equivalents	<b>(19 003)</b>	(17 734)	(766)
Cash and cash equivalents at beginning of period	<b>105 513</b>	106 279	106 279
<b>Cash and cash equivalents at end of period</b>	<b>86 510</b>	88 545	105 513

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