

Review of the year

The year under review delivered an excellent performance with a 16% increase in revenue to R206,1 million (2011: R177,4 million). Comprehensive income increased by 44% to R40,7 million (2011: R28,3 million).

The comprehensive income attributable to equity holders of the parent amounted to R36,4 million (2011: R26,2 million) with earnings per share of 428,8 cents (2011: 307,4 cents). Headline earnings per share were 428,9 cents (2011: 310,3 cents).

After paying tax of R15,5 million (2011: R13,7 million), the group generated R52,8 million (2011: R39,1 million) in cash from its operating activities during the year. The group invested R1,8 million to acquire Bloemfontein Courant by the Central Media Group (Pty) Limited (previously Seyalemoya Communications (Pty) Limited), repurchased 367 597 AME shares for R18,5 million and spent R7,7 million (2011: R8,6 million) on capital expenditure. The group ended the year with cash resources of R57,1 million (2011: R46,6 million).

Operations

Through innovative solutions our radio operations managed to minimise the effect of the general economic downturn and enjoyed a productive year with growth in revenue across all major platforms.

The diversification and expansion programmes of our radio platforms into other local media brands have been successful and revenues from web-site development and related activities have benefitted from the synergies achieved.

During the year WDB Investment Holdings (Pty) Limited acquired a controlling interest in a BEE company which holds 10% of Algoa FM and ICASA approved Algoa FM's licence amendment which extends the broadcast footprint of Algoa FM to now include Knysna, George and Mossel Bay. This broadcast footprint went live on 1 December 2011.

Central Media Group (Pty) Limited, which owns OFM, enjoyed a year of growth and, while trading conditions were challenging, good cost management and innovative product development helped the company to achieve higher than expected profitability. Significant growth in non-traditional revenue ("NTR") and a very good pipeline for the Digital Platforms division necessitated investment in human capital. OFM continued to see strong growth, especially in direct advertising across a new array of digital, radio and experiential offerings. Mahareng Publishing has captured a significant portion of the Bloemfontein Local Newspaper market.

Both Algoa FM and OFM listenership remained stable during the year under review and the excellent performance was underpinned by effective cost control.

Group sales house, United Stations, delivered an improved set of results for the year under review. A year ago United Stations started handling the national sales of KAYA FM which contributed to the growth in advertising revenue. KAYA FM and Capricorn FM have been the drivers of the new business development as they provide attractive audiences to categories of advertisers that United Stations was previously unable to reach. The increase in advertising platforms has further allowed the company to leverage existing resources and capacity. United Stations outperformed the national radio market, making significant revenue gains despite a difficult and uncertain climate and a cautious advertising industry. The increase in advertising revenue has allowed United Stations to increase resource and capacity in critical areas, positioning it well to accelerate growth in the new year.

Radio Heads has narrowed its focus to provide solutions in the area of radio production, branded content, creative and campaign management and is targeting marketers who seek higher levels of engagement with their target audiences. This business has performed below expectation.

Subsequent events

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

Dividends

The board believes that the group is well-positioned to acquire further radio interests and consequently no dividend has been proposed (2011: Nil per share).

Prospects

The new financial year has started on a reasonably positive note and the board is optimistic that the revenues for the 2013 year will compare favourably with those of the prior year.

ACG Molusi

Independent Non-executive Chairman

7 June 2012
Johannesburg

M Mynhardt

Financial Director

These abridged results have been prepared by the financial director in accordance with International Financial Reporting Standards ("IFRS"), AC 500 series, the Companies Act, No. 71 of 2008, as amended, and the Listings Requirements of the Johannesburg Stock Exchange on a basis consistent with the policies and methods of computation as used in the annual financial statements for the year ended 31 March 2011.

These results have been reviewed by PKF (Jhb) Inc. and their report is available for inspection at the company's registered office.

African Media Entertainment Limited

(Incorporated in the Republic of South Africa)

(Registration number 1926/008797/06)

Share code: AME ISIN: ZAE000055802

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

Registered office

Unit Block A, Oxford Office Park
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Sponsor

Arcay Moela Sponsors (Pty) Limited
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PO Box 62397, Marshalltown, 2107

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AJ Davies

M Mynhardt

MJ Prinsloo*

N Sooka*

WTshuma*

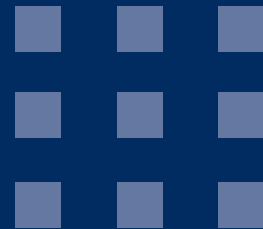
KL Dube*

**Independent Non-executive*

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REVIEWED RESULTS

for the year ended 31 March 2012



CONSOLIDATED ABRIDGED STATEMENTS OF COMPREHENSIVE INCOME

	Change %	Reviewed year ended 31 March 2012 R'000	Audited year ended 31 March 2011 R'000
Revenue		206 075	177 366
Cost of sales	16	(54 068)	(54 663)
Gross profit		152 007	122 703
Operating expenses		(102 020)	(86 118)
Operating profit	37	49 987	36 585
Investment income		1 241	1 184
Finance income		2 942	3 901
Finance cost		(73)	(149)
Losses attributable to associates		(201)	(425)
Net profit before taxation	31	53 896	41 096
Taxation		(13 173)	(12 806)
SA normal taxation		(15 766)	(12 160)
Deferred taxation		2 593	(396)
Secondary Taxation on Companies		–	(250)
Total comprehensive income for the year	44	40 723	28 290
Total comprehensive income attributable to:			
Non-controlling interest holders		4 324	2 041
Equity holders of the parent	39	36 399	26 249
Earnings per share (cents)	40	428,8	307,4
Headline earnings per share (cents)	38	428,9	310,3
Diluted earnings per share (cents)	42	428,8	302,5
Diluted headline earnings per share (cents)	40	428,9	305,3
Weighted average number of shares in issue ('000)		8 488	8 539
Diluted average number of shares in issue ('000)		8 488	8 678
Headline earnings reconciliation:			
Profit attributable to equity holders		36 399	26 249
Loss on disposal of fixed assets		2	47
Impairment of loans to associate		–	199
Headline earnings		36 401	26 495

CONSOLIDATED ABRIDGED STATEMENTS OF CASH FLOWS

	Reviewed year ended 31 March 2012 R'000	Audited year ended 31 March 2011 R'000
Cash generated by operating activities	52 807	39 700
Net interest received	2 869	3 752
Taxation paid	(15 483)	(13 663)
Decrease in working capital	1 080	9 289
Cash flows from operating activities	41 273	39 078
Dividends paid	–	(16 870)
Cash flows from investing activities	(30 744)	(19 271)
Cash flows from financing activities	–	(2 504)
Net increase in cash and cash equivalents	10 529	433
Cash and cash equivalents at beginning of year	46 581	46 148
Cash and cash equivalents at end of year	57 110	46 581

CONSOLIDATED ABRIDGED STATEMENTS OF FINANCIAL POSITION

	Reviewed 31 March 2012 R'000	Audited 31 March 2011 R'000
ASSETS		
Non-current assets	89 028	80 753
Property, plant and equipment	29 130	25 412
Investments	12 883	10 914
Goodwill	39 780	39 785
Deferred taxation	7 235	4 642
Current assets	116 320	90 955
Trade receivables	56 563	41 906
Other receivables	2 621	2 468
Tax paid in advance	26	–
Cash and cash equivalents	57 110	46 581
Total assets	205 348	171 708
EQUITY AND LIABILITIES		
Total equity	134 091	113 976
Non-current liabilities	315	717
Operating lease accrual	200	518
Interest-bearing borrowings	115	199
Current liabilities	70 942	57 015
Trade payables	33 531	28 498
Other payables	34 738	26 694
Dividend payable	777	387
Operating lease accrual and interest-bearing borrowings	375	224
Taxation	1 521	1 212
Total equity and liabilities	205 348	171 708

CONSOLIDATED ABRIDGED STATEMENTS OF CHANGES IN EQUITY

	Reviewed year ended 31 March 2012 R'000	Audited year ended 31 March 2011 R'000
Issued capital		
Balance at beginning of year	8 539	8 539
Shares repurchased	(368)	–
Balance at end of year	8 171	8 539
Share premium		
Balance at beginning of year	31 909	31 909
Shares repurchased	(18 167)	–
Balance at end of year	13 742	31 909
Retained profit		
Balance at beginning of year	70 237	43 988
Change in shareholding	(1 606)	–
Total comprehensive income for year	36 399	26 249
Dividend	–	–
Balance at end of year	105 030	70 237
Non-distributable reserve		
Balance at beginning of year	2 073	1 869
Re-allocations to creditors on cash settled options	(2 073)	–
Share-based payment expense	–	204
Balance at end of year	–	2 073
Non-controlling interests		
Balance at beginning of year	1 218	1 655
Share of dividend	–	(2 504)
Change in shareholding	1 606	26
Share of total comprehensive income for year	4 324	2 041
Balance at end of year	7 148	1 218
Total capital and reserves	134 091	113 976

SEGMENTAL REPORTING

	Reviewed year ended 31 March 2012 R'000	Audited year ended 31 March 2011 R'000
Revenue		
Radio Broadcasting	178 682	160 030
Sales houses	27 393	17 336
Company	–	–
Total	206 075	177 366
Profitability		
Radio Broadcasting	37 148	37 023
Sales houses	10 941	774
Company	1 898	(1 212)
Total operating profit	49 987	36 585
Unallocated/Eliminated corporate net expense and inter-company consolidation	(201)	(425)
Investment income	1 241	1 184
Interest received	2 942	3 901
Interest paid	(73)	(149)
Taxation	(13 173)	(12 806)
Total comprehensive income for year	40 723	28 290
Assets		
Radio Broadcasting	52 465	69 223
Sales houses	49 543	33 425
Company	43 250	21 448
Total	145 258	124 096
Investment in associate	2 980	1 031
Cash	57 110	46 581
Total assets	205 348	171 708
Liabilities		
Radio Broadcasting	31 870	19 821
Sales houses	35 871	27 617
Company	3 516	10 294
Total	71 257	57 732
Capital expenditure		
Radio Broadcasting	3 023	4 686
Sales houses	608	3 433
Company	4 091	453
Total	7 722	8 572
Depreciation		
Radio Broadcasting	2 927	2 478
Sales houses	975	742
Company	66	40
Total	3 968	3 260