

COMMENTARY

Chairman's review of the six-month period to 30 September 2013

The good start to the new financial year has continued into the second quarter and enabled our companies to increase revenue by 11% to R106,5 million (Sept 2012: R96,3 million). Comprehensive income increased by 16% to R20,5 million (Sept 2012: R17,7 million).

The comprehensive income attributable to equity holders of the parent amounted to R178 million (Sept 2012: R15,7 million) with earnings per share of 2175 cents (Sept 2012: 189,4 cents). Headline earnings per share were 2175 cents (Sept 2012: 189,4 cents).

After paying tax of R9,4 million (Sept 2012: R9,7 million), the group generated R23,2 million (Sept 2012: R15 million) in cash from its operating activities during the period. The group incurred R2 million (Sept 2012: R1,5 million) of capital expenditure and paid R0,8 million to repurchase 10 943 of its own shares. During the period the group paid out dividends to the value of R19,1 million, R2,8 million to non-controlling interest holders and R16,3 million to equity holders of the parent relating to the gross 200 cents per share dividend paid in July 2013 (Sept 2012: 100 cents gross). The group ended with cash resources of R81,2 million (Sept 2012: R67,3 million).

Operations

The group continues to grow through the diversification and expansion programmes of our radio platforms into other local media brands. Tight cost control and innovative media solutions contribute to the group's continued profitability.

Profitability on **Algoa FM** has improved on last year, due to excellent sales efforts by both the local and national sales teams. Listenership decreased year on year largely due to a statistical adjustment as a result of the new census data used during the latest RAMS (Radio Audience Measurement). Algoa FM continues to make positive in-roads into the Southern Cape broadcast area and two Algoa FM presenters won top awards at the annual MTN SA Radio Awards. This was for the Best Breakfast Presenter and the Best Music Show in commercial radio.

Trading conditions improved favourably for **Central Media Group**, with all business units showing marked improvement on the previous year. OFM's audience figures were largely stable during this period, and advertising support from both the local and national markets continued to show growth above expectation. Marketing initiatives were also rewarded with a Grand Prix Loerie and a silver Pendoring award. A new satellite studio in the Vaal has improved visibility, audience and revenue from that area. Mahareng continued to grow market share for its Bloemfontein Courant (free sheet) against strong competition and as a business, outperformed the benchmarks set. Significant custom publishing business was also secured in this period, and digital revenues continue to grow. RedStar was able to secure new business from national companies and was also able to secure major sponsorships for sports events. Digital Platforms had a strong first half, showing marked improvement in web development revenue, whilst keeping expansion costs under control.

RadioHeads has developed a number of premium radio properties available across a spectrum of radio stations. A significant achievement was the outcome of independent research showing that Iketsitse-Zenzele, the RadioHeads property flighted on several African Language Services and sponsored by one of the leading banks, has significantly exceeded brand and product recall norms. These results will see greater traction for RadioHeads properties as more clients utilise this innovative radio solution.

The excellent revenue results achieved by specialist sales house **United Stations** in the first quarter, were exceeded in the second quarter. The greater than expected advertising spend was driven by their core client base and was attributable to their station portfolio holding leading market positions and uniquely serving the communities targeted by these advertisers. The remaining half year is being approached with caution, as they expect tougher market conditions ahead.

Declaration of interim dividend no 4

The board has declared an interim dividend (dividend no 4) of 100,00 cents per ordinary share (gross) for the period ended 30 September 2013.

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 share for shareholders liable for DWT;
- the company has 8 277 366 ordinary shares in issue; and
- the company's income tax reference number is 9100/169/71/4.

The following dates are applicable to the dividend:

The last date to trade in order to be eligible for the dividend will be Friday, 6 December 2013.

Shares will trade ex-dividend from Monday, 9 December 2013.

The record date will be Friday, 13 December 2013 and payment will be made on Tuesday, 17 December 2013.

Share certificates may not be dematerialised/rematerialised between Monday, 9 December 2013 and Friday, 13 December 2013, both days inclusive.

Prospects

The board is optimistic that the improved results achieved by the group in the first half of the year will be maintained for the financial year.

ACG Molusi

Independent Non-executive Chairman

22 November 2013

Johannesburg

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, the Listings Requirements of the Johannesburg Stock Exchange and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee. Except for the new standards adopted as set out below, all accounting policies applied by the group in the preparation of these condensed consolidated interim financial results are consistent with those applied by the group in its consolidated financial statements as at and for the year ended 31 March 2013. There was no material impact on the interim financial results identified based on management's assessment of these standards.

The group has adopted the following new standards:

IFRS 10 – Consolidated Financial Statements

IFRS 11 – Joint Arrangements

IFRS 12 – Disclosure of Interest in other Entities.

Michelle Mynhardt

Financial Director

22 November 2013

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")

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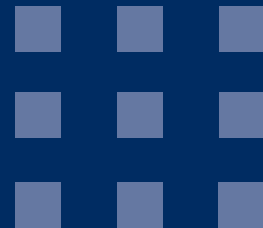
W Tshuma*, AJ Davies, M Mynhardt

**Independent Non-executive*

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UNAUDITED RESULTS

for the six months ended 30 September 2013



AFRICAN MEDIA ENTERTAINMENT

