African Media Entertainment Limited
(Incorporated in the Republic of South Africa)
(Registration number 1926/008797/06)
Share code: AME ISIN: ZAE000055802
Website: www.ame.co.za
("AME" or "the group")

UNAUDITED INTERIM RESULTS
for the six months ended 30 September 2010

CONSOLIDATED ABRIDGED STATEMENTS OF COMPREHENSIVE INCOME

	% change	Unaudited six months to September 2010 R'000	Unaudited six months to September 2009 R'000	Audited year ended 31 March 2010 R'000
Revenue	16	87 416	75 229	158 373
Cost of sales		(25 305)	(21 267)	(46 641)
Gross profit		62 111	53 962	111 732
Operating expenses		(44 367)	(38 359)	(75 628)
Operating profit	14	17 744	15 603	36 104
Investment income		275	-	-
Finance income		2 074	2 663	5 098
Finance cost		(76)	(160)	(203)
Losses attributable to associates		(330)	(486)	(2 207)
Net profit before taxation	12	19 687	17 620	38 792
Taxation		(6 153)	(5 737)	(14 683)
SA normal taxation		(6 185)	(5 173)	(11 477)
Deferred taxation		32	44	(1 222)
Secondary taxation on companies		-	(608)	(1 984)
Total comprehensive income for the period	14	13 534	11 883	24 109
Total comprehensive income attributable to:				
Non-controlling interest holders		1 669	1 715	2 668
Equity holders of the parent	17	11 865	10 168	21 441
Earnings per share (cents)	17	139,0	119,1	251,1
Headline earnings per share (cents)	19	141,3	119,1	266,8
Diluted earnings per share (cents)	16	136,5	118,1	249,4
Diluted headline earnings				

per share (cents)	18	138,8	118,1	265,0
Dividends per share (cents)		-	-	200
Number of shares in issue (000's)		8 539	8 539	8 539
Diluted average number of shares in issue (000's)		8 692	8 610	8 597
Headline earnings reconciliation				
Profit attributable to equity holders		11 865	10 168	21 441
Loss on disposal of fixed assets		-	-	42
Impairment of loans to associate		199	-	1 295
Headline earnings		12 064	10 168	22 778

CONSOLIDATED ABRIDGED STATEMENTS OF FINANCIAL POSITION

	Unaudited September 2010 R'000	Unaudited September 2009 R'000	Audited 31 March 2010 R'000
Assets			
Non-current assets	76 585	53 146	61 362
Property, plant and equipment	25 130	14 778	20 258
Investments	10 954	1 633	635
Goodwill	35 431	30 431	35 431
Deferred taxation	5 070	6 304	5 038
Current assets	74 368	74 248	79 383
Trade receivables	36 981	30 094	31 520
Other receivables	1 967	1 887	1 715
Cash and cash equivalents	35 420	42 267	46 148
Total assets	150 953	127 394	140 745
Equity and liabilities			
Total equity	101 818	94 245	87 960
Non-current liabilities	890	875	939
Operating lease accrual	647	712	647
Interest-bearing borrowings	243	163	292
Current liabilities	48 245	32 274	51 846
Trade payables	25 891	14 742	16 719
Other payables	20 234	16 875	14 954
Dividend payable	934	-	17 257
Operating lease accrual and interest-bearing borrowings	295	509	451
Taxation	891	148	2 465
Total equity and liabilities	150 953	127 394	140 745

CONSOLIDATED ABRIDGED STATEMENTS OF CHANGES IN EQUITY

	Unaudited six months to September 2010 R'000	Unaudited six months to September 2009 R'000	Audited year ended 31 March 2010 R'000
Issued capital			
Balance at beginning and end of period	8 539	8 539	8 539
Share premium			
Balance at beginning and end of period	31 909	31 909	31 909
Retained profit			
Balance at beginning of period	43 988	39 803	39 803
Total comprehensive income for the period	11 865	10 168	21 441
Dividend	-	-	(17 256)
Balance at end of period	55 853	49 971	43 988
Non-distributable reserve			
Balance at beginning of period	1 869	1 608	1 608
Share based payment expense	324	346	261
Balance at end of period	2 193	1 954	1 869
Non-controlling interests			
Balance at beginning of period	1 655	4 687	4 687
Share of dividend	-	(4 530)	(5 700)
Share of total comprehensive income for the period	1 669	1 715	2 668
Balance at end of period	3 324	1 872	1 655
Total capital and reserves	101 818	94 245	87 960

CONSOLIDATED ABRIDGED STATEMENTS OF CASH FLOWS

	Unaudited six months to September 2010 R'000	Unaudited six months to September 2009 R'000	Audited year ended 31 March 2010 R'000
Cash generated by operating activities	19 239	17 656	37 947
Net interest received	1 998	1 749	4 895
Taxation paid	(7 759)	(9 270)	(14 634)
Decrease in working capital	8 740	345	117
Cash flows from operating activities	22 218	10 480	28 325
Dividends paid	(16 323)	(17 257)	(17 257)
Cash flows from investing activities	(16 623)	(1 012)	(12 838)
Cash flows from financing activities	-	(3 562)	(5 700)
Net decrease in cash and cash equivalents	(10 728)	(11 351)	(7 470)

Cash and cash equivalents at beginning of period	46 148	53 618	53 618
Cash and cash equivalents at end of period	35 420	42 267	46 148

COMMENTARY

Basis of preparation

These reports have been prepared in accordance with the group's accounting policies that comply with International Financial Reporting Standards, IAS34, the Companies Act No. 61 of 1973 and the Listings Requirements of the JSE, on a basis consistent with the policies and methods of computation as used in the Annual Financial Statements for the year ended 31 March 2010.

Financial results

Revenue for the period was R87,4 million with a comprehensive income of R13,5 million.

The comprehensive income attributable to equity holders of the parent amounted to R11,9 million (2009: R10,2 million) with earnings per share of 139,0 cents (2009: 119,1 cents). Headline earnings per share were 141,3 cents (2009: 119,1 cents).

After paying tax of R7,8 million, the group generated R22,2 million in cash from its operating activities during the period. The Group invested R9,2 million in Mokgosi Holdings, R0,7 million in Moneyweb and R5 million on equipment.

After paying dividends of R16,3 million, the group ended the period with cash resources of R35,4 million.

Segmental report

No segmental report for the current and comparative periods are included, as the board considers the individual operations to form one integrated business unit operating within South Africa and is viewed as such by the chief operating decision makers.

AlgoaFM

AlgoaFM's net advertising revenue showed an increase of 18% compared to the previous period. Both the FIFA 2010 Wold Cup soccer and the Airtel Champions League cricket had a significant impact on national revenues.

Operating costs were well controlled at less than the inflation rate resulting in a better than budgeted income after taxation.

Listenership remained stable during the period under review.

The company acquired a 50% stake in a free handout newspaper called SportsElizabeth, with a distribution of approximately 35 000 in the Nelson Mandela metropolitan area. Going forward, AlgoaFM will be taking responsibility for the sales initiative.

OFM

The radio station was able to track positively against budget, mainly due to good cost control and a recovery in the national sales market. The station benefitted from last minute advertising spend planned for the World Cup. There was also a good uptake for some of the newer non-traditional products such as activation and online advertising.

Audience levels remained stable during the period, although changes were made to the lineup. A new breakfast show was launched in February and indications are that it has had a positive impact on both audience as well as advertising.

There has also been strong uptake for web development offered by the digital team. Apart from advertising demand growing in this sector, the team is positioned to develop on both major platforms and the order book is full for development. This is seen as a strong growth market and some large local web platforms are under construction.

United Stations

Specialist media sales partner United Stations took another step forward in realising its vision to be the obvious choice for assisting radio stations to maximise their advertising revenue at the lowest cost of sale. The company successfully competed for the national sales contract of premier Gauteng station Kaya FM and have brought the station's sales in house from 1 September 2010. At the same time they have managed to buck the industry wide trend of flat or negative revenues, by posting good year on year growth for all client platforms.

RadioHeads

RadioHeads is a team of radio specialists offering radio skills specifically in the provision of Branded Content, Station Imaging, Creative, Campaign management and Direct Response Radio solutions.

During the past six months the company has managed to syndicate its home-grown show Point of View across four metropolitan stations. This achievement is significant in that it speaks to RadioHeads' vision of ownership of proprietary content that can be leveraged for sponsorship and promotion.

The company has incurred a loss in the current period mainly as a result of the investment cost in the Point of View platform.

Prospects

The Board is cautiously optimistic that the growth in earnings will be maintained for the remainder of the year.

By order of the Board

ACG Molusi	M Mynhardt
Chairman	Director

19 November 2010
Johannesburg

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