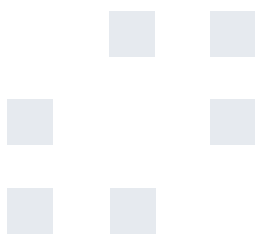
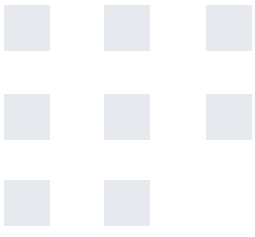


# ABRIDGED ANNUAL REPORT 2015





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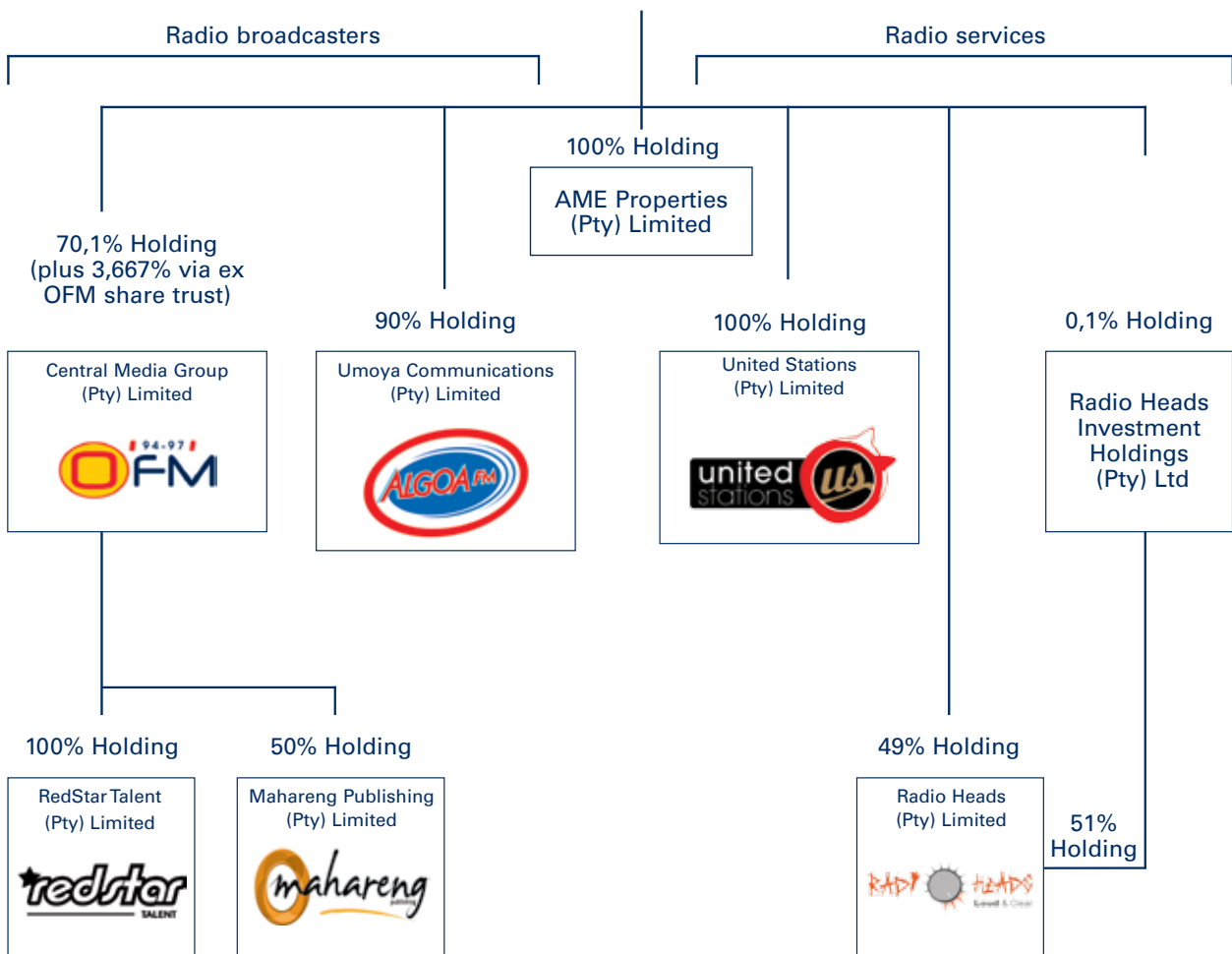
A complete set of the Annual Report is available on the website of African Media Entertainment Limited at [www.ame.co.za](http://www.ame.co.za)

# GROUP STRUCTURE

African Media Entertainment Limited ("AME") is a broadcast company listed in the "Media & Entertainment" sector of the Johannesburg Stock Exchange ("JSE")



(Incorporated in the Republic of South Africa)  
 (Registration number 1926/008797/06)  
 (Share code: AME)  
 (ISIN: ZAE000055802)



# DIRECTORATE AND EXECUTIVE

## BOARD OF DIRECTORS

### **ACG ("Connie") Molusi (53)**

*Independent Non-executive Chairman*

BJournalism, MA

Appointed 18 March 2004

Connie has been involved with the media industry for many years and holds a number of directorships.

### **Marthinus J Prinsloo (60)**

*Independent Non-executive Director*

BCom (Law), CA (SA)

Appointed 13 November 2003

Inus has spent many years in the merchant banking industry and now practices as a corporate finance advisor.

### **Navin Sooka (62)**

*Independent Non-executive Director*

BCom, BCompt (Hons), CA (SA)

Appointed 26 September 2008

Navin has extensive experience in financial positions in the manufacturing industry and within the corporate environment.

### **KL ("Lawrence") Tlhabane (53)**

*Independent Non-executive Director*

Certificate of Management Advanced Programme

(MAP) at Wits Business school

Appointed 1 August 2011

Lawrence is a business man and has spent the last 28 years in the broadcasting and media industries in various positions, including as CEO of the Music Union of South Africa (MUSA) and as director of Real Productions, a company that produces features for TV shows. During his career he has interviewed the likes of Bishop Tutu and Walter Sisulu. In 1997 he was a founding member of KAYA FM.

### **Wilfred Tshuma (46)**

*Independent Non-executive Director*

BCom (Hons)

Appointed 7 July 2004

Resigned 11 June 2015

Wilfred has held internal audit and financial positions with a number of banks. He is an entrepreneur with interests in property, aviation and asset management.

### **Angela Jane Isbister (née Davies) (35)**

*Executive Director*

PGDA (UCT), CA (SA)

Appointed 1 September 2010

Angela joined the group in April 2010. She completed her articles at Deloitte & Touche and worked for them in Johannesburg and San Francisco before moving to the UK where she worked in transactional services and as a financial analyst for a number of large organisations including the National Health Services.

### **Michelle Mynhardt (42)**

*Executive Financial Director*

BCompt (Hons), CA (SA)

Appointed 1 June 2010

Michelle joined the group in April 2009. She completed her articles at PriceWaterhouseCoopers and later joined KPMG's International Advisory Services department. She has experience in financial positions in security, market research and investment industries.

## EXECUTIVE MANAGEMENT

The group is managed by the senior executives of its major subsidiaries:

### **Rivak Bunce (53)**

*United Stations*

Rivak has a strong background in training, having managed his own training franchise for several years. He joined Radio 702 in 1987, rising to the position of Sales Manager. He subsequently worked for Primedia group as group sales director until co-founding United Stations in March 2000. He joined the AME group when that company was acquired in November 2002.

### **David Tiltmann (51)**

*Umoya Communications – Algoa FM*

BCom (Industrial Psychology, Business Economics)

David obtained his BCom from UPE in 1986. He began working for Algoa FM as a freelance announcer in 1989 and has held positions as Music Manager, Programme Manager and Operations Manager since then. He was appointed Managing Director of the station in February 2000. David worked as Broadcast Liaison Officer for the Host Broadcast Services at the 2010 World Cup.

### **Gary Stroebel (41)**

*Central Media Group – OFM*

BA (Communication), MBA (UFS)

Gary joined OFM in 1996 as a presenter, and has worked as Programme Manager as well as Sales and Marketing Director. In March 2008 he was appointed CEO of the station. Gary obtained his MBA in April 2010.

## COMPANY SECRETARY

### **Chrisna Roberts (40)**

BCompt (Hons), CA (SA), RA, MTP

Appointed 1 April 2015

Chrisna did her articles at Lloyd Viljoen Registered Auditors where she subsequently became an audit partner. She is also a partner in Walrich business services where she is responsible for the Company Secretarial and Tax division.



the sound of your life



**CLOVER AARDKLOP NASIONALE KUNSTEFEEES**

**Potchefstroom: 7 to 11 October 2014**

The 17th annual Clover Aardklop Nasionale Kunstefees took place in the North West town of Potchefstroom. This four day festival exhibits the diversity in South African culture through its blend of performance art (dance, music and theatre), visual arts as well as craft exhibitions and food stalls. The Breakfast Special's Yolanda Maartens can be seen mingling with South African actress Liz Meiring as well as interviewing musician David Fourie in our outside broadcasting unit.



**GARIEP KUNSTEFEEES**

**Kimberley: 28 to 31 August 2014**

The 15th annual Gariep Kunstefees, with numerous arts and crafts stalls in addition to five music stages was undoubtedly a fun event for young and old. Community projects and workshops also made the festival accessible and suitable for all, while a children's theatre and the theme park ensured that even children were kept amused.



**CLARENS CRAFT BEER FESTIVAL**

**Clarens: 27 to 28 February 2015**

The fifth installation of South Africa's favourite beer festival saw a celebration of over 50 different ciders and craft beers from across the country. Live entertainment, German fare and a kiddies play area guaranteed revellers a splendid experience.



**SIESTA TOUR 2014**

**Central South Africa: 15 to 19 September 2014**

The Siesta team of Martin van der Merwe, Natasja Jacobs and Success Lekabe took a detour through central South Africa. The Afternoon Drive team went on a four-day excursion of the central region broadcasting from Augrabies National Park, Kimberley's Big Hole, the Gariep Dam, Clarens and Golden Gate.



**TEKKIEFEEES**

**Vereeniging: 5 to 6 September 2014**

OFM broadcast live from the TekkieFees. Revellers could meet some of their favourite OFM presenters including Yolanda Maartens, Martin van der Merwe, Natasja Jacobs and Success Lekabe. The festival, which has attracted over 12 000 feet featured some of South Africa's most loved musicians.



**FIVB BEACH VOLLEYBALL WORLD TOUR: MANGAUNG OPEN**

**Bloemfontein: 9 to 14 December 2014**

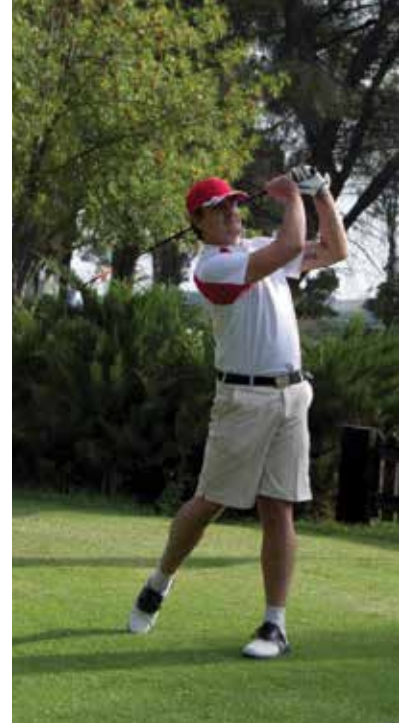
Held at Bloemfontein's Rose Garden, the event featured the best male and female volleyball professionals from across the globe.



**FNB FREE STATE WINE SHOW**

**Bloemfontein: 31 July to 1 August 2014**

Presented by renowned wine authority Michael Fridjhon, The FNB Free State Wine Show saw wine enthusiasts being treated to an array of award winning wine producers and their wines. Visitors to the FNB Free State Wine Show could both taste and purchase their favourite wines during this two day event.



**SHOPRITE CHECKERS OFM CHIP4CHARITY**

**Bloemfontein: 6 March 2015**

Undoubtedly a big highlight for many corporate clients, the Shoprite Checkers OFM Chip4Charity took place on 6 March. In excess of R150 000 was raised on this day, all of which will be in aid of various charity initiatives in central South Africa.



**OFM HITMOBILE**

**Central South Africa: January to December 2014**

The OFM Hitmobile is the perfect tool to create excitement around businesses, promotions or events. Travelling around central South Africa, the OFM Hitmobile creates awareness through live crossings and experiential marketing activities.



**OFM GOLF EXPERIENCE**

**Ficksburg: 13 August 2014**

The OFM Golf Experience was introduced as a means of taking OFM to all corners of central South Africa by visiting towns that OFM may not ordinarily get the chance to visit. The Ficksburg leg provided a great opportunity for OFM to interact with both clients and listeners.



**VRYFEES**

**Bloemfontein: 15 to 20 July 2014**

One of Bloemfontein's biggest arts festivals, the Vryfees attracts approximately 150 000 feet annually during the six days in which it takes place. Featuring theatre, art, live music and dance shows, crafts, beer gardens and a variety of food stalls, this makes for a great family outing.



your music, your world



**ALGOA LIVE**

Algoa FM hosted its first music festival in March 2015 at the Nelson Mandela Bay Stadium. More than 5 000 people danced the day away to a top national line-up including Mi Casa, Goldfish, Jimmy Nevis, Lloyd Cele, Stuart Reece, Prime Circle and Kurt Darren. The seven hour concert started at 12 pm and concluded at 7 pm with Mi Casa as the final act. The massive success of the 2015 event has made it a highlight on the PE calendar and is now scheduled to be an annual event in the city.



**ALGOA FM BIG WALK FOR CANCER**

Algoa FM also hosts the annual Algoa FM Big Walk for Cancer in October each year in aid of the community affected by cancer in the Eastern Cape. The event is now in its 17th year and in 2014 close to 9 000 people participated in this seasoned community and award-winning event. A total of R315 000 was donated to the Igazi Foundation and was used to equip the new 25-bed paediatric Oncology Ward which opened on 1 April 2015 at Provincial Hospital in Port Elizabeth. Igazi will once again serve as the beneficiary for the 2015 event.







### ALGOA CARES

Algoa Cares embodies Algoa FM's Corporate Social Investment and was started in 1997. Several hundreds of charities have benefited from the Algoa Cares on-air feature during weekday lunch when charities have the opportunity to create awareness about their services and needs. Millions in cash have been donated to worthy charities across the station's broadcast area. Algoa FM hosts two charity golf days, the Algoa FM Big Walk for Cancer, the Algoa Cares Winter Woolly Week campaign and participates in Mandela Day on 18 July. Algoa FM understands the importance of community and Algoa Cares is their way of using the power of radio to ignite the power of people.



### STANDARD BANK IRONMAN AFRICAN CHAMPIONSHIP

As the exclusive broadcast partner, Algoa FM calls on both professional and amateur athletes to transcend on the shores of Port Elizabeth, to test their physical and mental limits with sporting events drawn over two days for varying target audiences. The weekend commences with the 380 m swim, 18 km bike and 4,2 km run in the Corporate Triathlon Challenge on the Saturday and finally culminates in the extreme test, Ironman, which includes a 3,8 km swim, 180,2 km bike and a 42,2 km run on the Sunday. More than 80 000 spectators attended in support of this massive event; showcasing the power of regional radio in the Eastern Cape.



### MTN RADIO & PRISM AWARDS

Algoa FM won four of the seven awards for which they were nominated at the annual MTN Radio Awards ceremony held in Johannesburg on 18 April 2015. These include Best Breakfast Show Presenter, Daron Mann, and Algoa FM Heritage Day/Virtual Flag claiming the other three including Best Multi Channel Promotion, the Best Programme Innovation, and the Best Promotion/Stunt/Event. In addition to this, Algoa FM's PR strategy for their annual flagship event, the Algoa FM Boardwalk Big Walk for Cancer, walked away with a Bronze PRISM Award, beating major national events and advertising companies in the Sponsorship Category of the PRISM Awards which was hosted in Johannesburg on Sunday, 19 April.





# CHAIRMAN'S REVIEW

## REVIEW OF THE YEAR

This financial year was difficult but our businesses maintained the growth achieved in the previous financial years with a 5% increase in revenue to R254,6 million (2014: R242,5 million). Comprehensive income increased by 16% to R56,6 million (2014: R48,6 million).

The comprehensive income attributable to equity holders of the parent amounted to R49,6 million (2014: R42,9 million) with earnings per share of 608,2 cents (2014: 524,9 cents). Headline earnings per share was 612,5 cents (2014: 524,3 cents).

After paying tax of R23,9 million (2014: R19,3 million), the group generated R55,3 million (2014: R62,5 million) in cash from its operating activities during the year. The group invested R19,6 million (2014: R1,2 million) on the development of the site in Bloemfontein earmarked to be the new home of the Central Media Group and spent R9,4 million (2014: R3,2 million) on capital expenditure. The group ended the period with cash resources of R105,5 million (2014: R106,3 million).

## Operations

Our subsidiaries continue to contribute positively to our bottom line through innovative sales initiatives and tight cost control.

**Algoa FM** performed well with year-on-year revenue and listenership growth. Cost containment remains a focus area and contributes to profitability. Algoa FM scooped four MTN Radio Awards at the annual banquet. Daron Mann won Best Breakfast Show presenter, and the Algoa FM Heritage Day Virtual Flag won in the categories best promotion/stunt, best programme innovation and best multi channel stunt.

**Central Media Group** delivered a solid set of results, mostly due to growth in non-advertising revenue. Significant web development contracts were secured and completed in this period by Digital Platforms. Mahareng publishing continued to gain market share in local publishing, with Bloemfontein Courant increasing profitability with 21%. Redstar suffered revenue setbacks with the unexpected cancellation of two major events, but launched new products which helped create new revenue lines. OFM once again delivered stable results and benefited from good cost-control. Advertising revenue is still constrained by the relatively weak national economy. Overall, the group focused on reducing costs and looking for high margin alternative revenue streams, utilising the various synergies between the media brands to good effect.

In a tough economic climate characterised by clients cutting back on budgets throughout the year, **RadioHeads** has generated an after-tax profit. This turnaround has resulted from a re-focus on its core business with a strong drive toward the retention of key clients. Special attention has been paid to generating maximum revenue yield from Campaigns.

**United Stations** added two new station contracts to their portfolio, allowing them to increase their footprint into all major markets across the country and increase their weekly audience to seven million listeners. This came into effect during the second quarter of the year and along with a strong performance from KAYA FM, contributed to an increase in revenue. The challenging sales climate that has persisted throughout the fiscal, along with the need to reposition the two new stations in the market, necessitated additional investment in staff as well as significant research and trade marketing. These investments have placed United Stations in a good position to compete in the demanding marketplace that is expected to persist over the coming year.

## Prospects

The board is cautiously optimistic that the revenue for the 2016 year will compare favourably with that of this year.



**ACG MOLUSI**  
*Independent Non-executive Chairman*

19 June 2015

# ADMINISTRATION

## **AFRICAN MEDIA ENTERTAINMENT LIMITED**

Incorporated in the Republic of South Africa  
Registration number 1926/008797/06  
Share code: AME  
ISIN: ZAE000055802

## **AUDITOR**

### **Grant Thornton**

Chartered Accountants (SA)  
Registered Auditor  
52 Corlett Drive  
Wanderers Office Park  
Illovo, 2196

## **BANKERS**

### **ABSA Capital CIBW**

15 Alice Lane  
Sandton, 2196

## **LEGAL ADVISORS**

### **Martini-Patlansky Attorneys**

32 St John Road  
Houghton  
Johannesburg, 2198

### **Fluxmans Attorneys**

30 Jellicoe Avenue  
Rosebank  
Johannesburg, 2196

## **SECRETARY AND REGISTERED OFFICE**

### **C Roberts**

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

PO Box 3014, Houghton, 2041

## **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

## **TRANSFER SECRETARIES**

### **Computershare Investor Services (Pty) Limited**

Registration number 2004/003647/07  
Ground Floor, 70 Marshall Street  
Johannesburg, 2001

PO Box 61051, Johannesburg, 2107

Telephone: +27 11 370 5000

Telefax: +27 11 688 5238



# DIRECTORS' REPORT

## NATURE OF BUSINESS

The group's main activities are set out on page 2 of this report.

## FINANCIAL RESULTS

The financial results of the group and of the company are set out on pages 13 to 21 of this report. A review of the group's results and performance of the business units is given in the Chairman's report on page 8.

## BASIS OF PREPARATION

The abridged report is extracted from audited information, but is not itself audited. It is the responsibility of the directors to prepare the abridged report.

This abridged report has been correctly extracted from the underlying annual financial statements in accordance with IAS 34 Interim Financial Reporting and the SAICA Reporting Guides as issued by the Financial Reporting Standards Council. The underlying annual financial statements are prepared in accordance with International Financial Reporting Standards and are consistent with those of the prior financials statements.

## DIVIDENDS

An interim dividend of 100 cents (gross) was declared and paid during the year (2014: 100 cents (gross)). A final dividend of 250 cents (gross) was declared after year-end for the period to 31 March 2015 (2014: 200 cents (gross))

## SHARE CAPITAL

### Authorised and issued share capital

In accordance with a general authority to repurchase shares granted to the directors of the company at the annual general meeting of the company held on 29 August 2014 (2014: 30 August 2013), AME repurchased and subsequently cancelled 1 000 (2014: 10 943) ordinary shares.

The net result of the transaction reduced share capital by R1 000 (2014: R10 943) and share premium by R0,08 million (2014: R0,8 million)

### Share repurchases and mandatory offer

The company has over the years proposed at its Annual General Meeting ("AGM") a special resolution granting the board a general authority to repurchase shares in the company when deemed appropriate and the board has done so when opportune.

On 19 June 2015 the company repurchased 9 200 ordinary shares (0,1% of the issued share capital), which shares were automatically cancelled upon repurchase and an application for de-listing of the shares will in due course be lodged with the Johannesburg Stock Exchange.

At the Annual General Meeting of the company held on 29 August 2014, an ordinary resolution was approved by independent shareholders waiving the obligation on Moolman & Coburn Partnership ("the Partnership") and parties acting in concert with the Partnership, which at that time held 2 854 333 ordinary shares (34,98% of the issued share capital excluding treasury shares), to make a mandatory offer to the other shareholders in the event that a repurchase of shares by the company resulted in the shareholding of the Partnership and parties acting in concert with the Partnership breaching the 35% level at which a mandatory offer would in the normal course have been required. No offer was therefore made to other shareholders.

The Partnership and parties acting in concert with the Partnership now holds 35,02% of the issued share capital (excluding treasury shares) of the company.

## DIRECTORATE AND SECRETARY

Details of the directorate are given on page 3 of this report. Non-executive Directors only receive remuneration for services as directors, executive directors have service contracts with the company and are salaried directors. Details of their remuneration are set out opposite:

	Salary 2015 R'000	Salary 2014 R'000	Fees 2015 R'000	Fees 2014 R'000
ACG Molusi *	–	–	78	79
MJ Prinsloo *	–	–	239	236
N Sooka *	–	–	112	99
KL Tlhabane *	–	–	74	47
W Tshuma *	–	–	116	97
AJ Isbister **	729	814	–	–
M Mynhardt **	2 760	2 284	–	–
<b>Total remuneration</b>	<b>3 489</b>	<b>3 098</b>	<b>619</b>	<b>558</b>
<b>Paid by the company</b>	<b>3 489</b>	<b>3 098</b>	<b>619</b>	<b>558</b>
<b>Total remuneration</b>	<b>3 489</b>	<b>3 098</b>	<b>619</b>	<b>558</b>

\* Independent non-executive director

\*\* Executive director

BREAKDOWN OF EXECUTIVE DIRECTORS' SALARY	Share options exercised	Salary	Bonus	Total
<b>2015</b>				
AJ Isbister	–	629	100	729
M Mynhardt	1 500	910	350	2 760
<b>Total remuneration</b>	<b>1 500</b>	<b>1 539</b>	<b>450</b>	<b>3 489</b>
<b>2014</b>				
AJ Isbister	–	714	100	814
M Mynhardt	1 127	857	300	2 284
<b>Total remuneration</b>	<b>1 127</b>	<b>1 571</b>	<b>400</b>	<b>3 098</b>

SHARE OPTIONS	2015 Options	2014 Options
AJ Isbister	50 000	50 000
M Mynhardt	–	25 000

UNIT ALLOCATION	2015 Units	2014 Units
AJ Isbister	25 000	25 000
M Mynhardt	25 000	25 000

In terms of the Memorandum of Incorporation of the company, not less than a third of the non-executive directors retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election. None of the independent non-executive directors of the company have a director's service contract with the company.

As at 31 March 2015, the aggregate direct and indirect beneficial interests of the directors in the fully paid issued share capital of the company, were nil (2014: nil). There has been no material change in the directors' interests in the issued share capital between 31 March 2015 and the date of this report.



## DIRECTORS' REPORT (continued)

### PROPERTY, PLANT AND EQUIPMENT

The group acquired property, plant and equipment at a cost of R28,3 million (2014: R4,4 million) during the financial year under review, R20 million of which relates to the building of Central Media Group's new home in Bloemfontein. There have been no major changes in the nature of or the policy relating to the use of property, plant and equipment in the group.

### EVENTS SUBSEQUENT TO THE REPORTING PERIOD

The Board declared a final dividend of 250 cents (gross) per ordinary share on 4 June 2015 for the year ended 31 March 2015.

Mr Wilfred Tshuma resigned on 11 June 2015. He was an independent non-executive director and member of the audit and remuneration committees. Due to his resignation these committees are incomplete and the process of finding a replacement has commenced.

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

### INVESTMENT IN SUBSIDIARY COMPANIES

The financial information in respect of the company's interest in its major subsidiary companies is set out in note 5 on page 20 of this report.

The aggregate profits and losses after taxation of the subsidiaries attributable to the company amounted to R54 million (2014: R47,8 million); subsidiaries making profits amounted to R54,2 million (2014: R48,9 million) and subsidiaries making losses amounted to R0,2 million (2014: R1,2 million).

### GOING CONCERN

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis assumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

### EMPLOYEE SHARE INCENTIVE SCHEMES

Details of options and units granted to employees, including any executive directors, are detailed in note 25 of the full annual report available for download on the company's website. The share scheme presently holds 89 275 (2014: 89 275) ordinary shares, none of which have been allocated.

Other than these shares, no further shares have been set aside for the scheme. In terms of the Trust Deed, up to 10% of the company's share capital, being 827 637 (2014: 827 737) ordinary shares, can be utilised for purposes of the scheme. At 31 March 2015, 738 362 (2014: 737 462) ordinary shares can still be issued to the share scheme.

# STATEMENTS OF FINANCIAL POSITION

as at 31 March 2015

	Group		Company	
	2015 R'000	2014 R'000	2015 R'000	2014 R'000
<b>ASSETS</b>				
<b>Non-current assets</b>	<b>125 441</b>	<b>99 570</b>	<b>120 934</b>	<b>96 100</b>
Property, plant and equipment	60 152	35 758	13 019	12 566
Goodwill	39 426	39 780	–	–
Investment in subsidiaries	–	–	91 761	66 983
Investment in associated companies	4 276	3 046	–	–
Other financial instruments	9 200	9 226	15 011	15 264
Deferred taxation	12 387	11 760	1 143	1 287
<b>Current assets</b>	<b>185 713</b>	<b>163 840</b>	<b>84 403</b>	<b>82 648</b>
Trade receivables	71 634	49 394	–	–
Other receivables	8 242	8 125	5 077	4 251
Dividends receivable	–	–	10 000	–
Tax paid in advance	324	42	–	42
Cash and cash equivalents	105 513	106 279	69 326	78 355
<b>Total assets</b>	<b>311 154</b>	<b>263 410</b>	<b>205 337</b>	<b>178 748</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Total equity</b>	<b>201 504</b>	<b>175 842</b>	<b>197 280</b>	<b>171 297</b>
Share capital	8 159	8 160	8 276	8 277
Share premium	12 839	12 921	14 489	14 571
Non-distributable reserve	–	–	20 244	20 244
Retained earnings	179 760	152 749	154 271	128 205
Equity attributable to equity holders of the company	200 758	173 830	197 280	171 297
Non-controlling interest holders	746	2 012	–	–
<b>Current liabilities</b>	<b>109 650</b>	<b>87 568</b>	<b>8 057</b>	<b>7 451</b>
Trade payables	37 945	24 962	32	80
Other payables	68 587	58 326	6 538	6 351
Dividend payable	1 245	1 020	1 245	1 020
Operating lease accrual	–	105	–	–
Taxation	1 873	3 155	242	–
<b>Total equity and liabilities</b>	<b>311 154</b>	<b>263 410</b>	<b>205 337</b>	<b>178 748</b>

# STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 31 March 2015

	Group		Company	
	2015 R'000	2014 R'000	2015 R'000	2014 R'000
<b>Revenue</b>	<b>254 631</b>	<b>242 524</b>	<b>4 560</b>	<b>4 890</b>
Cost of sales	(61 047)	(62 275)	–	–
Gross profit	<b>193 584</b>	<b>180 249</b>	<b>4 560</b>	<b>4 890</b>
Operating expenses	(123 428)	(119 684)	(6 456)	(8 456)
Operating profit/(loss)	<b>70 156</b>	<b>60 565</b>	<b>(1 896)</b>	<b>(3 566)</b>
Investment income	<b>1 750</b>	<b>1 750</b>	<b>49 558</b>	<b>49 408</b>
Finance income	<b>5 879</b>	<b>4 508</b>	<b>3 966</b>	<b>2 834</b>
Finance costs	(6)	( 53)	–	–
Profits attributable to associates	<b>507</b>	<b>343</b>	–	–
Net profit before taxation	<b>78 286</b>	<b>67 113</b>	<b>51 628</b>	<b>48 676</b>
Taxation	(21 715)	(18 490)	(731)	82
<b>Total comprehensive income for the year</b>	<b>56 571</b>	<b>48 623</b>	<b>50 897</b>	<b>48 758</b>
<b>Attributable to:</b>				
Non-controlling interest holders	<b>6 942</b>	<b>5 766</b>	–	–
Equity holders of the parent	<b>49 629</b>	<b>42 857</b>	<b>50 897</b>	<b>48 758</b>
Earnings/diluted earnings per share (cents)	<b>608,2</b>	<b>524,9</b>	–	–



# STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 March 2015

	Group		Company	
	2015 R'000	2014 R'000	2015 R'000	2014 R'000
<b>Issued capital</b>	<b>8 159</b>	<b>8 160</b>	<b>8 276</b>	<b>8 277</b>
Balance at beginning of year	8 160	8 171	8 277	8 288
Shares repurchased and cancelled	(1)	(11)	(1)	(11)
<b>Share premium</b>	<b>12 839</b>	<b>12 921</b>	<b>14 489</b>	<b>14 571</b>
Balance at beginning of year	12 921	13 742	14 571	15 392
Shares repurchased and cancelled	(82)	(821)	(82)	(821)
<b>Non-distributable reserve</b>	<b>–</b>	<b>–</b>	<b>20 244</b>	<b>20 244</b>
Balance at beginning of year	–	–	20 244	20 244
<b>Retained earnings</b>	<b>179 760</b>	<b>152 749</b>	<b>154 271</b>	<b>128 205</b>
Balance at beginning of year	152 749	134 663	128 205	104 301
Change in shareholding	1 903	–	–	–
Comprehensive income for the year	49 629	42 857	50 897	48 758
Dividend declared	(24 521)	(24 771)	(24 831)	(24 854)
<b>Non-controlling interest holders</b>	<b>746</b>	<b>2 012</b>	<b>–</b>	<b>–</b>
Balance at beginning of year	2 012	4 431	–	–
Change in shareholding	(1 912)	–	–	–
Comprehensive income for the year	6 942	5 766	–	–
Share of dividend	(6 296)	(8 185)	–	–
<b>Total equity</b>	<b>201 504</b>	<b>175 842</b>	<b>197 280</b>	<b>171 297</b>

# STATEMENTS OF CASH FLOWS

for the year ended 31 March 2015

	Group		Company	
	2015 R'000	2014 R'000	2015 R'000	2014 R'000
<b>Cash flows from operating activities</b>	<b>55 322</b>	<b>62 546</b>	<b>1 140</b>	<b>(1 535)</b>
Profit before taxation	78 286	67 113	51 628	48 676
Adjustments	(4 278)	(3 065)	(53 689)	(51 735)
– investment income	(1 750)	(1 750)	(49 558)	(49 408)
– finance income	(5 879)	(4 508)	(3 966)	(2 834)
– finance cost	6	53	–	–
– depreciation	3 595	3 500	95	62
– profit on disposal of property, plant and equipment	–	(61)	–	–
– loss on disposal of investment	354	–	–	–
– rental smoothing	(105)	44	–	–
– non cash expenditure/(income)	8	–	(293)	445
– allowance for impairment in subsidiaries	–	–	33	–
– income attributable to associates	(507)	(343)	–	–
Operating profit before working capital changes	74 008	64 048	(2 061)	(3 059)
– (increase)/decrease in trade and other receivables	(636)	13 295	(462)	(930)
– increase in trade and other payables	(23 880)	9 165	(826)	(2 377)
Cash generated by operations	23 244	4 130	364	1 447
Net interest received	73 372	77 343	(2 523)	(3 989)
Taxation paid	5 873	4 455	3 966	2 834
<b>Cash flows from investing activities</b>	<b>(25 497)</b>	<b>(2 200)</b>	<b>14 662</b>	<b>47 193</b>
(Decrease)/increase in investments and loans	826	248	(24 265)	(10 372)
Purchase of property, plant and equipment	(28 975)	(4 443)	(814)	(11)
Proceeds on disposal of property, plant and equipment	985	127	266	–
Dividends received	1 750	2 700	39 558	58 408
Repurchase of shares	(83)	(832)	(83)	(832)
<b>Cash flows from financing activities</b>	<b>(30 591)</b>	<b>(32 851)</b>	<b>(24 831)</b>	<b>(24 854)</b>
Dividend paid to equity holders	(24 295)	(24 666)	(24 831)	(24 854)
Dividend paid to non-controlling interest holder	(6 296)	(8 185)	–	–
Net (decrease)/increase in cash and cash equivalents	(766)	27 495	(9 029)	20 804
Cash and cash equivalents at beginning of year	106 279	78 784	78 355	57 551
<b>Cash and cash equivalents at end of year</b>	<b>105 513</b>	<b>106 279</b>	<b>69 326</b>	<b>78 355</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

	GROUP		COMPANY	
	2015 R'000	2014 R'000	2015 R'000	2014 R'000
<b>1. SHARE CAPITAL</b>				
<i>Authorised</i>				
15 000 000 ordinary shares of R1 each	15 000	15 000	15 000	15 000
<i>Issued</i>				
8 276 366 (2014: 8 277 366) ordinary shares of R1 each	8 276	8 277	8 276	8 277
Held by the AME Share Incentive Trust	(89)	(89)	–	–
Held by AME Broadcasting (Pty) Limited	(28)	(28)	–	–
	<b>8 159</b>	<b>8 160</b>	<b>8 276</b>	<b>8 277</b>

## Unissued shares

The 6 723 634 (2014: 6 722 634) unissued shares are under the control of the directors in terms of a resolution of members passed at the annual general meeting of shareholders on 29 August 2014. The authority is valid until the next annual general meeting.

## 2. RELATED PARTIES

### Identity of related parties

The subsidiaries of the group are identified in note 5 and the associates of the group are disclosed in note 6. Significant shareholders are detailed on page 22. The directors are listed in the directors' report. Details of key management are listed on page 3.

### Related party transactions

Details of the directors' remuneration are listed in the directors' report. Trading transactions occur between subsidiaries and divisions within the group companies and are reversed on consolidation of the accounts.

Details of such transactions, including loans, other receivables, management fees, rental and dividends are detailed below:

	COMPANY	
	2015 R'000	2014 R'000
<i>Loan Accounts owing by related parties</i>		
AME Properties (Pty) Limited	34 490	9 685
Radio Heads (Pty) Limited	9 000	9 293
Radio Heads Investment Holdings (Pty) Limited	33	27
Share Incentive Trust	5 811	6 038
United Stations (Pty) Limited	4 620	4 620
<i>Amounts included in other receivables regarding related parties</i>		
AME Properties (Pty) Limited	73	5
Central Media Group (Pty) Limited	182	182
Radio Heads (Pty) Limited	–	8
Umoya Communications (Pty) Limited	215	207
<i>Amounts included in other payables regarding related parties</i>		
AME Properties (Pty) Limited	–	34
United Stations (Pty) Limited	1	19
<i>Management fees received from related parties</i>		
Central Media Group (Pty) Limited	1 920	1 920
Umoya Communications (Pty) Limited	2 400	2 400
United Stations (Pty) Limited	240	240

# NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2015

	COMPANY	
	2015 R'000	2014 R'000
<b>2. RELATED PARTIES (CONTINUED)</b>		
<i>Rental received from related parties</i>		
United Stations (Pty) Limited	–	330
<i>Dividends received from related parties</i>		
AME Broadcasting (Pty) Limited	83	83
Central Media Group (Pty) Limited	17 704	23 015
Umoya Communications (Pty) Limited	20 021	16 560
United Stations (Pty) Limited	10 000	8 000

	GROUP		COMPANY	
	2015 R'000	2014 R'000	2015 R'000	2014 R'000
<b>Associates' loan</b>				
Mahareng Publishing (Pty) Limited	4 000	4 800	–	–
Key management personnel (being the executive management and company secretary as per page 3) remuneration for the period amounted to:				
Basic			4 416	3 580
Medical aid			216	198
Pension			329	307
Bonus			3 063	1 341
Share based payments			–	2 400
			<b>8 024</b>	<b>7 826</b>

Details of guarantees between the holding company and its subsidiaries are contained in note 3 of these financial statements.

None of the directors or major shareholders of the group, nor their families, had any direct or indirect interests in any transaction concluded with the group in the current or prior financial years, other than is disclosed in this note.

### 3. CONTINGENT LIABILITIES

The company stands surety for the liabilities amounting to R6,6 million (2014: R5,3 million) of one of its subsidiary companies for the benefit of Media Credit Co-ordination. The suretyship will remain in force for an indefinite period.

On 14 March 2014 The Supreme Court of Appeal in Bloemfontein ("SCA") delivered its judgment on the National Association of Broadcasters ("NAB") appeal against the judgment of the Copyright Tribunal on the appropriate needletime royalty (subsequently amended on 19 March 2014). The application by The South African Music Performers Rights Association ("SAMPRO") to appeal this judgment was rejected by the SCA. Further negotiations will be entered into to determine if and from which date royalties are payable prior to the judgement date.

The directors consider that adequate provision has been made for this liability under accruals note 13.

	Radio broadcasters		Radio services		Corporate		Group total	
	2015	2014	2015	2014	2015	2014	2015	2014
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>4. SEGMENTAL REPORTING</b>								
<b>Revenue</b>								
Total revenue	210 278	209 182	60 852	49 951	5 744	4 890	276 874	264 023
Internal revenue			(16 710)	(16 609)	(5 533)	(4 890)	(22 243)	(21 499)
External revenue	210 278	209 182	44 142	33 342	211	–	254 631	242 524
<b>Profitability</b>								
Segment profit from operations	56 311	53 250	15 691	11 327	(1 846)	(4 012)	70 156	60 565
Unallocated/eliminated corporate net expense and intercompany consolidation	507	343					507	343
	56 818	53 593	15 691	11 327	(1 846)	(4 012)	70 663	60 908
Investment income							1 750	1 750
Finance income							5 879	4 508
Finance cost							(6)	(53)
Taxation							(21 715)	(18 490)
Profit for the year							56 571	48 623
<b>Assets</b>								
Segment assets	63 256	60 351	68 141	49 615	71 491	44 119	202 888	154 085
Investment in associates	2 753	3 046		–	–	–	2 753	3 046
	66 009	63 397	68 141	49 615	71 491	44 119	205 641	157 131
Cash and cash equivalents							105 513	106 279
							311 154	263 410
<b>Liabilities</b>								
Segment liabilities	49 521	34 542	51 718	45 575	8 411	7 451	109 650	87 568
Capital expenditure	5 353	3 530	1 050	902	22 572	11	28 975	4 443
Depreciation	2 599	2 421	788	1 017	208	62	3 595	3 500

The names of the segments were changed to be more descriptive. The allocation and numbers have stayed the same.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2015

	COMPANY	
	2015 R'000	2014 R'000
<b>5. INVESTMENT IN SUBSIDIARIES</b>		
Algoa FM Radio Empowerment Company (Pty) Ltd		
– 49 shares representing a 49% holding *	–	–
AME Broadcasting (Pty) Limited		
– 100 shares representing a 100% holding *	–	–
United Stations (Pty) Limited		
– Loan	4 620	4 620
AME Properties (Pty) Limited		
– 10 shares representing a 100% holding *	–	–
– Loan	34 490	9 685
Central Media Group (Pty) Limited (t/a OFM)		
– 77 525 shares representing a 70,1% holding	28 968	28 968
Umoya Communications (Pty) Limited (t/a Algoa FM)		
– 1 000 shares representing a 90% holding	23 683	23 683
Radio Heads Investment Holdings (Pty) Limited		
– 1 share representing a 0,1% holding*	–	–
– Loan	33	27
Radio Heads (Pty) Limited		
– 490 shares representing a 49% holding * (effective 49,05% (2014: 75,1%))	–	–
– Loan	9 000	9 293
	<b>100 794</b>	<b>76 276</b>
Allowance for impairment in subsidiaries	<b>(9 033)</b>	<b>(9 293)</b>
	<b>91 761</b>	<b>66 983</b>

\* Less than R1 000

All subsidiaries share the year end of the company and are incorporated in South Africa.

During the year the company sold the majority of its investment in Radio Heads Investment Holdings (Pty) Limited to a BBBEE partner. The company and group is still consolidated as the company controls the board and administration functions until such a time as the loan has been repaid in full. R6,7 million (2014: R6,7 million) of the loan to Radio Heads (Pty) Limited is subordinated and the company issued an unlimited surety in favour of the Media Credit Co-Ordinator.

The loans to subsidiaries are unsecured and interest free. The subsidiary companies have an unconditional right to defer settlement of the loan for 12 months.

	GROUP		COMPANY	
	2015 R'000	2014 R'000	2015 R'000	2014 R'000
<b>6. INVESTMENT IN ASSOCIATED COMPANIES</b>				
Mahareng Publishing (Pty) Limited				
– 500 shares representing a 50% holding	1	1	–	–
– loan	4 000	4 800	–	–
Oxford's Office Terrace (Pty) Limited				
– 50 shares representing a 50% holding	1 523	–	–	–
Share of post acquisition loss	(1 248)	(1 755)	–	–
	<b>4 276</b>	<b>3 046</b>	<b>–</b>	<b>–</b>

\* Less than R1 000

Mahareng Publishing has a March financial year end  
Summary of the financial information:

Total assets	6 537	6 996
Total liabilities	9 098	10 569
Accumulated loss	2 560	3 575

The loan is unsecured and interest-free with no fixed terms of repayment. The associate has an unconditional right to defer settlement of the loan for 12 months.

Oxford's Office Terrace has an August financial year end. March 2015 management account information has been used.

Summary of the financial information:

Total assets	4 772	–
Total liabilities	1 651	–
Accumulated loss	3 121	–

## 7. REPORT OF THE INDEPENDENT AUDITORS

Grant Thornton's unqualified auditor's report included in the annual consolidated financial statements of the full Annual Report is available at the company's registered office.

# ANALYSIS OF SHAREHOLDING

for the year ended 31 March 2015

	Number of shares held '000	Shares held %	Number of share- holders	Share- holder %
<b>Size of shareholding</b>				
1 – 1 000	99	1,2	386	72,0
1 001 – 10 000	416	5,0	99	18,5
10 001 – 100 000	1 393	16,8	39	7,3
100 001 +	6 368	77,0	12	2,2
<b>Total</b>	<b>8 276</b>	<b>100,0</b>	<b>536</b>	<b>100,0</b>
<b>Category</b>				
Private individuals	3 341	40,4	459	85,6
Nominee companies or trusts	3 089	37,3	9	1,7
Investment companies	1 609	19,4	57	10,6
Limited companies	10	0,1	1	0,2
Other corporate bodies	227	2,7	10	1,9
<b>Total</b>	<b>8 276</b>	<b>100,0</b>	<b>536</b>	<b>100,0</b>
<b>Shareholder spread</b>				
Non-public shareholders				
AME Broadcasting (Pty) Limited	28	0,3	1	0,2
AME Share Incentive Trust	89	1,1	1	0,2
Shareholders holding more than 5% of the issued ordinary shares				
– Moolman and Coburn Partnership	2 053	24,8	1	0,2
– Golden Hind Partnership	817	9,9	1	0,2
– Frances Elizabeth Coburn	800	9,7	1	0,2
– Barclays Private Bank and Trust Limited	523	6,3	1	0,2
– Client account London	505	6,1	1	0,2
– MGM Family Trust	497	6,0	1	0,2
	5 312	64,2	8	1,6
Public shareholders	2 964	35,8	528	98,4
<b>Total</b>	<b>8 276</b>	<b>100,0</b>	<b>536</b>	<b>100,0</b>

## Directors' interests

There are no directors holding, directly or indirectly, in excess of 1% of the issued share capital of the company on 31 March 2015.



# NOTICE OF ANNUAL GENERAL MEETING



## AFRICAN MEDIA ENTERTAINMENT

(Incorporated in the Republic of South Africa)  
(Registration number 1926/008797/06)  
(JSE share code: AME) (ISIN: ZAE000055802)

Notice is hereby given that the seventeenth annual general meeting ("meeting") of shareholders of African Media Entertainment Limited ("AME" or "the company") will be held in the boardroom, Block B, Oxford Office Park, No 5, 8th Street, Houghton Estate, Johannesburg at 10:00 on Friday, 21 August 2015.

### RECORD DATE, ATTENDANCE AND VOTING

The record date for determining which shareholders are entitled to notice of the meeting is Friday, 19 June 2015 and the record date for determining which shareholders are entitled to participate in and vote at the meeting is Friday, 14 August 2015. The last day to trade in order to be eligible to vote at the meeting is accordingly Friday, 7 August 2015.

### ELECTRONIC ATTENDANCE AT THE MEETING

The company intends to make provision for the shareholders of the company or their proxies to participate in the meeting by way of electronic communication. Should you wish to participate in the meeting in this manner, you will need to contact the company at 010 590 4554 by 10:00 on Wednesday, 19 August 2015, alternatively, contact the transfer secretaries at 011 370 5122/7873 by 10:00 on Wednesday, 19 August 2015, so that the company can make the necessary arrangements for electronic communication. Should you be participating in the meeting by electronic communication, kindly ensure that the voting proxies are sent to the transfer secretaries by 10:00 on Wednesday 19 August 2015.

### PURPOSE OF MEETING

The purpose of this meeting is to present the directors' report and the audited financial statements of the company and the group for the year ended 31 March 2015, and to consider and, if deemed fit, to pass, with or without modification, the resolutions set out below.

### ORDINARY RESOLUTIONS

To consider, and, if deemed fit, approve the following ordinary resolutions with or without modification.

**Voting requirements:** In order to be adopted, all ordinary resolutions require the support of a majority of the votes cast by shareholders present or represented by proxy at this meeting. The quorum for the meeting is 25% of the issued share capital of the company.

#### 1. Ordinary resolution number 1: adoption of the annual financial statements

"Resolved that:  
the annual financial statements of the company and the group for the year ended 31 March 2015 be and are hereby adopted."

**Explanation:** The reason for and effect of ordinary resolution number 1 is to receive and adopt the annual financial statements for the company and the group for the year ended 31 March 2015.

#### 2. Ordinary resolution number 2: to place the unissued shares of the company under the control of the directors

"Resolved that:  
all the unissued shares in the capital of the company be placed under the control of the directors in terms of article 6 of the Memorandum of Incorporation of AME, as a general authority in terms of the Companies Act, 2008 (Act 71 of 2008), as amended ("the Act"), who are hereby authorised to allot and issue shares in the capital of the company to those persons, upon such terms and conditions, as the directors in their sole discretion deem fit, until the next annual general meeting, subject to the provisions of the Act and the Listings Requirements of the Johannesburg Stock Exchange ("JSE")."

**Explanation:** In terms of article 6 of the Memorandum of Incorporation of AME and in terms of the general authority of the Companies Act, 2008 the authority given at the annual general meeting needs to be renewed.

#### 3. Ordinary resolution number 3: re-election of non-executive Directors

"Resolved that:  
3.1 Mr MJ Prinsloo, who retires by rotation in terms of the Memorandum of Incorporation of the company and who is eligible and available for re-election, be and is hereby re-elected as a director of the company.

## NOTICE OF ANNUAL GENERAL MEETING (continued)

3.2 Mr KL Tlhabane, who retires by rotation in terms of the Memorandum of Incorporation of the company and who is eligible and available for re-election, be and is hereby re-elected as a director of the company."

**Explanation:** To re-elect Messrs MJ Prinsloo and Mr KL Tlhabane, who are recommended by the board and whose appointment automatically terminates on the day of the annual general meeting in terms of article 31 of the Memorandum of Incorporation of the company. Brief biographies of these directors appear on page 3.

The ordinary resolutions number 3.1 and 3.2 will be considered separately.

#### 4. Ordinary resolution number 4: re-appointment of independent auditor

"Resolved that:

Grant Thornton be and is hereby re-appointed as independent auditor of the company from the conclusion of this annual general meeting until the conclusion of the next annual general meeting of the company."

**Explanation:** The reason for this ordinary resolution is that the company, being a listed public company, must appoint an independent auditor and have its annual financial statements audited.

#### 5. Ordinary resolution number 5: re-election of the audit and risk committee members and chairman

"Resolved that:

5.1 Mr N Sooka be and is hereby re-elected as a member and chairman of the audit and risk committee until conclusion of the next annual general meeting.

5.2 Mr MJ Prinsloo be and is hereby re-elected as a member of the audit and risk committee until conclusion of the next annual general meeting.

**Explanation:** To re-elect Messrs N Sooka and MJ Prinsloo, who are recommended by the board and whose appointment automatically terminates on the day of the annual general meeting. The reason for this ordinary resolution is that at each annual general meeting, a public company must elect an audit and risk committee.

Brief biographies of these directors appear on page 3.

The ordinary resolutions number 5.1 and 5.2 will be considered separately.

#### 6. Ordinary resolution number 6 authority to sign documentation:

"Resolved that:

any director of the company or the company secretary be and is hereby authorised to take all actions necessary and sign all documentation required to give effect to the ordinary and special resolutions which have been passed at the annual general meeting."

**Explanation:** To give authority to any director or the company secretary to sign all documentation required to give effect to the ordinary and special resolutions which have been passed.

#### SPECIAL RESOLUTIONS

To consider and, if deemed fit, approve the following special resolutions with or without modification.

**Voting requirements:** In order to be adopted, all special resolutions require the support of 75% or more of the votes cast by shareholders present or represented by proxy at this meeting. The quorum for the meeting is 25% of the issued share capital of the company.

1. **Special resolution number 1: general authority for company and/or subsidiary to acquire the company's own shares.**

"Resolved that:

the company and/or a subsidiary of the company be and is hereby authorised to re-purchase or purchase, as the case may be, ordinary shares issued by the company on such terms and conditions and in such amounts as the directors of the company may decide, but subject always to the provisions of section 48 of the Act and the Listings Requirements of the JSE, which currently stipulate that:

- the repurchase of securities must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty (reported trades are prohibited);
- at any point in time the company may only appoint one agent to effect any repurchases on the company's behalf;
- the company or any of its subsidiaries may not repurchase securities during a prohibited period as defined in the Listings Requirements of the JSE;
- this general authority shall only be valid until the company's next annual general meeting provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this Special Resolution;
- a paid press announcement will be published as soon as the company has acquired ordinary shares constituting, on a cumulative basis, 3% (three percent) of the number of ordinary shares in issue, at the time of passing of this special resolution, and any 3% (three percent) increments thereafter, which announcements shall contain full details of such acquisitions;
- acquisitions of ordinary shares by the company in terms of this general authority in the aggregate in any one financial year may not exceed 20% (twenty percent) of the company's issued ordinary share capital nor may any subsidiary hold more than 10% (ten percent) of the company's issued shared capital at any one time; and

- in determining the price at which ordinary shares issued by the company are acquired in terms of this general authority, the maximum price at which such ordinary shares may be acquired may not be greater than 10% (10 percent) above the weighted average of the market price at which such ordinary shares traded on the JSE over the 5 (five) business days immediately preceding the date on which the transaction is effected.

The general authority to repurchase the company's shares will be acted upon within the parameters laid down by the JSE, as and when the directors deem it to be appropriate. After considering the effect of a general repurchase within these parameters, the directors are of the view that for a period of at least 12 (twelve) months after the date of this notice of meeting:

- AME and the group will be able in the ordinary course of business to pay its debts;
- the assets of AME and the group, fairly valued in accordance with accounting policies used in the latest audited report, will be in excess of the liabilities of the company and the group;
- the ordinary capital and reserves of AME and the group will be adequate for the purposes of the company's and the group's businesses, respectively; and
- the working capital of AME and the group will be adequate for their requirements."

The reason for this special resolution is to grant a general approval in terms of the Act and the Listings Requirements of the JSE for the acquisition by the company, and/or a subsidiary of shares issued by the company, subject to statutory and regulatory limitations and controls.

The effect of this special resolution is to enable the company and/or a subsidiary, by way of a general approval, to repurchase up to a maximum of 20% (twenty percent) of its share capital in any one financial year.

# NOTICE OF ANNUAL GENERAL MEETING (continued)

## Explanation

The reason for and effect of special resolution number 1 is to give a mandate to the directors' to re-purchase or purchase ordinary shares issued by the company.

### 2. Special resolution number 2: approval of non-executive directors' fees.

"Resolved that:

The remuneration of the non-executive directors be and is hereby increased with effect from 1 April 2015 as set out below:

Directors' fees are payable per meeting attended:

Board	R
Chairman	19 000
Other	13 500
<b>Audit and risk committee</b>	
Chairman	13 000
Other	9 000
<b>Remuneration, human resources and transformation committee</b>	
Chairman	13 000
Other	9 000
<b>Social and ethics committee</b>	
Chairman	13 000

## Explanation:

The reason for and effect of special resolution number 2 is to grant the company the authority to pay fees to non-executive directors for their services as directors.

### 3. Special resolution number 3: financial assistance to related or inter-related entities to the company

"Resolved that:

The board of directors is authorised, in terms of and subject to the provisions of section 45 of the Act, to cause the company to provide financial assistance to any company or corporation that is related or inter-related to the company."

## Explanation:

The reason for and effect of special resolution number 3 is to grant the directors of the company the authority to cause the company to provide financial assistance to any entity which is related or inter-related to the company. This special resolution does not authorise the provision of

financial assistance to a director or prescribed officer of the company.

### 4. Special resolution number 4: financial assistance for subscription for or purchase of securities by related or inter-related entities to the company

"Resolved that:

The board of directors is authorised, in terms of and subject to the provisions of section 44 of the Act, to cause the company to provide financial assistance to any company or corporation that is related or inter-related to the company for the subscription for or purchase of securities in the company or in any company or corporation that is related or inter-related to the company."

## Explanation:

The reason for and effect of special resolution number 4 is to grant the directors of the company the authority to cause the company to provide financial assistance to any entity which is related or inter-related to the company. This special resolution does not authorise the provision of financial assistance to a director or prescribed officer of the company.

## Additional disclosure requirements in terms of the JSE Listings Requirements

As per section 11.26(b) of the Listings Requirements of the JSE, shareholders are referred to the following sections in the annual report to which this notice of annual general meeting is attached:

- Details of directors on page 3;
- Directors' interest in securities commencing on page 11 (which beneficial interests have not changed since 31 March 2015. There are no non-beneficial interests);
- Major shareholders on page 22;
- Material changes in the nature of the company's trading or financial position post 31 March 2015 on page 13;
- The Share Capital note 1 on page 7.

### **Litigation statement**

The directors are not aware of any legal or arbitration proceedings active, pending or threatened against or being brought by the company, which may have a material effect on the group's financial position or which have had a material effect during the 12 months preceding the date of this notice of annual general meeting.

### **Directors' responsibility statement**

The directors, whose names have been given on page 3 of this annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to special resolution 1, 2, 3 and 4 and certify that to the best of their knowledge and belief, there are no facts which have been omitted, which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the resolution contain all information relevant to special resolution number 1, 2, 3 and 4.

### **Material changes**

Other than the facts and developments reported on in the annual financial statements, there have been no material changes in the affairs or financial position of the company and its subsidiaries since the date of signature of the audit report and up to the date of this notice.

### **Voting and proxies**

Each shareholder who, being a natural person, is present in person, by proxy or agent, or, being a company, is represented by representative proxy or agent at the general meeting, is entitled to one vote on a show of hands. On a poll, each shareholder, whether present in person or by proxy or by representation, is entitled to one vote for each share held.

A form of proxy is attached for use by certificated or own name shareholders who are unable to attend the general meeting but wish to be represented thereat. They are required to complete and return the form of proxy so as to be received by the transfer secretaries of the company, Computershare Investor Services Proprietary Limited (70 Marshall Street, Johannesburg, 2001 or PO Box 61051, Marshalltown, 2107) no later than 10:00 on Wednesday, 19 August 2015.

Shareholders who have dematerialised their shares through a Central Securities Depository Participant ("CSDP") or broker, other than by own name registration and who wish to attend the annual general meeting must instruct their CSDP or broker to issue them with the necessary letter of representation to attend the meeting, in terms of the custody agreement entered into between such shareholders and their CSDP or broker.

Shareholders who have dematerialised their shares through a CSDP or broker, other than by own name registration, who wish to vote by way of proxy should provide their CSDP or broker with their voting instructions by the cut-off time or date advised by their CSDP or broker for transactions of this nature.

Each certificated or own name dematerialised shareholder entitled to attend and vote at the general meeting may appoint one or more proxies (none of whom need be an AME shareholder) to attend, speak and vote in his/her stead. The completion and lodging of a form of proxy will not preclude a shareholder from attending the meeting and speaking and voting thereat to the exclusion of the proxy so appointed.

By order of the board



**C Roberts**  
*Company secretary*

19 June 2015

## SUMMARY OF RIGHTS ESTABLISHED BY SECTION 58 OF THE COMPANIES ACT, AS REQUIRED IN TERMS OF SUB-SECTION 58(8)(B)(I)

1. A shareholder may at any time appoint any individual, including a non-shareholder of the Company, as a proxy to participate in, speak and vote at a shareholders' meeting on his or her behalf (section 58(1)(a)), or to give or withhold consent on behalf of the shareholder to a decision in terms of section 60 (shareholders acting other than at a meeting) (section 58(1)(b)).
2. A proxy appointment must be in writing, dated and signed by the shareholder, and remains valid for one year after the date on which it was signed or any longer or shorter period expressly set out in the appointment, unless it is revoked in terms of paragraph 6.3 or expires earlier in terms of paragraph 10.4 below (section 58(2)).
3. A shareholder may appoint two or more persons concurrently as proxies and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder (section 58(3)(a)).
4. A proxy may delegate his or her authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy ("proxy instrument") (section 58(3)(b)).
5. A copy of the proxy instrument must be delivered to the company, or to any other person acting on behalf of the company, before the proxy exercises any rights of the shareholder at a shareholders' meeting (section 58(3)(c)) and in terms of the Memorandum of Incorporation ("MOI") of the company at least 48 hours before the meeting commences.
6. Irrespective of the form of instrument used to appoint a proxy:
  - 6.1 the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder (section 58(4)(a));
  - 6.2 the appointment is revocable unless the proxy appointment states otherwise (section 58(4)(b)); and
  - 6.3 if the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing or by making a later, inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the company (section 58(4)(c)).
7. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered as contemplated in paragraph 6.3 above (section 58(5)).
8. If the proxy instrument has been delivered to the company, as long as that appointment remains in effect, any notice required by the Companies Act or the company's MOI to be delivered by the company to the shareholders must be delivered by the company to the shareholders (section 58(6)(a)), or the proxy or proxies, if the shareholder has directed the company to do so in writing and paid any reasonable fee charged by the company for doing so (section 58(6)(b)).
9. A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the MOI or proxy instrument provides otherwise (section 58(7)).
10. If the company issues an invitation to shareholders to appoint one or more persons named by the company as a proxy, or supplies a form of proxy instrument:
  - 10.1 the invitation must be sent to every shareholder entitled to notice of the meeting at which the proxy is intended to be exercised (section 58(8)(a));
  - 10.2 the invitation or form of proxy instrument supplied by the company must:
    - 10.2.1 bear a reasonably prominent summary of the rights established in section 58 of the Companies Act (section 58(8)(b)(i));
    - 10.2.2 contain adequate blank space, immediately preceding the name(s) of any person(s) named in it, to enable a shareholder to write the name, and if desired, an alternative name of a proxy chosen by the shareholder (section 58(8)(b)(ii)); and
    - 10.2.3 provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution(s), to be put at the meeting, or is to abstain from voting (section 58(8)(b)(iii));
  - 10.3 the company must not require that the proxy appointment be made irrevocable (section 58(8)(c)); and
  - 10.4 the proxy appointment remains valid only until the end of the meeting at which it was intended to be used, subject to paragraph 7 above (section 58(8)(d)).

# FORM OF PROXY



**AFRICAN MEDIA  
ENTERTAINMENT**

(Incorporated in the Republic of South Africa)

(Registration number 1926/008797/06)

(JSE share code: AME)

(ISIN: ZAE000055802)

("AME" or "the company")

For use by certificated shareholders and dematerialised shareholders with own name registration at the seventeenth annual general meeting of the holders of ordinary shares in the company ("AME shareholders") to be held in the boardroom, Block B, Oxford Office Park, No. 5, 8th Street, Houghton Estate, Johannesburg, at 10:00 on Friday, 21 August 2015 ("the annual general meeting").

I/We

being the registered holder/s of  ordinary shares in the capital of the company, of (address):

hereby appoint (see note 1):

1. \_\_\_\_\_ or failing him/her,

2. \_\_\_\_\_ or failing him/her,

3. the chairman of the annual general meeting,

as my/our proxy to act for me/us at the annual general meeting for the purposes of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat, and at each adjournment thereof, and to vote for or against the resolutions or abstain from voting in respect of the ordinary shares registered in my/our name/s in accordance with the following instructions (see note 2):

Resolution number	For	Against	Abstain
<b>Ordinary resolutions</b>			
1 To adopt the annual financial statements for the year ended 31 March 2015			
2 To place the unissued ordinary shares of the company under the control of the directors			
3.1 To re-elect Mr MJ Prinsloo as a director of the company			
3.2 To re-elect Mr KL Tlhabane as a director of the company			
4 To re-appoint Grant Thornton as the independent auditor			
5.1 To re-elect Mr N Sooka as chairman and member of the audit and risk committee			
5.2 To re-elect Mr MJ Prinsloo as member of the audit and risk committee			
6 To authorise the directors or company secretary to sign documentation to effect resolutions passed			
<b>Special resolutions</b>			
1 To approve the general authority for the company and/or the subsidiary to acquire the company's own shares			
2 To approve the remuneration of the non-executive directors			
3 To approve financial assistance to related or inter-related entities to the company			
4 To approve financial assistance for subscription for purchase of securities by related or inter-related entities to the company			

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2015

Signature \_\_\_\_\_

Assisted by (where applicable state capacity and full name) \_\_\_\_\_

Each AME shareholder is entitled to appoint one or more proxy/ies (who need not be a shareholder/s of the company) to attend, speak and vote in his or her stead at the annual general meeting.

Please read the notes on the reverse side hereof.



## NOTES

1. An AME shareholder may insert the name of a proxy or the names of two alternative proxies of his/her choice in the space/s provided, with or without deleting “the chairman of the annual general meeting”; but any such deletion must be initialled by the AME shareholder concerned. The person whose name appears first on the form of proxy and who is present at the annual general meeting, will be entitled to act as proxy to the exclusion of those names that follow.
2. An AME shareholder’s instruction to the proxy must be shown by indicating in the appropriate boxes provided the manner in which that AME shareholder wishes to vote by inserting an “X” in the relevant box unless a shareholder wishes to split his/her votes. In this case the relevant number of shares to be so voted must be indicated in the relevant box. Failure to comply with the above will be deemed to authorise the proxy to vote, or abstain from voting, at the annual general meeting as he/she deems fit in respect of all the AME shareholder’s votes exercisable thereat.
3. An AME shareholder or his/her proxy is not obliged to use all the votes exercisable by the member or to cast all these votes exercised in the same way, but the total of the votes cast, and in respect whereof abstention is recorded, may not exceed the total of the votes exercisable by the member. Failure to comply with the above will be deemed to be authority to the chairman of the annual general meeting, if he is the authorised proxy, to vote in favour of the resolutions proposed at the annual general meeting or any other proxy to vote or abstain from voting, at the annual general meeting as he deems fit, in respect of the shares concerned.
4. Forms of proxy and any power of attorney by virtue of which such proxy is signed (or a notarially certified copy of such power of attorney) must be lodged at or posted to the transfer secretaries of the company, Computershare Investor Services (Proprietary) Limited (70 Marshall Street, Johannesburg 2001 or PO Box 61051, Marshalltown 2107), to be received by no later than 10:00 on Wednesday 19 August 2015.
5. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company’s secretary or waived by the chairman of the annual general meeting.
7. If you are a dematerialised shareholder, other than by own name registration, you must inform your appointed Central Securities Depository Participant (“CSDP”) or broker of the manner in which you wish to vote in order for them to notify the secretary by no later than 10:00 on Wednesday, 19 August 2015. Only registered certificated shareholders recorded in the main register of members of the company or under own names in the dematerialised register, may complete a form of proxy or alternatively attend the annual general meeting. Those dematerialised shareholders who are not registered under their own names who wish to attend the annual general meeting or vote by proxy must contact their CSDP or broker who will provide them with the necessary authority to do so, or carry out their instructions.
8. This must be done in terms of the agreement between the shareholder and his/her CSDP as applicable.
9. The chairman of the annual general meeting may reject or accept any proxy form which is completed and /or received, other than in compliance with the Memorandum of Incorporation of the company or these notes.







AFRICAN MEDIA  
ENTERTAINMENT

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