

COMMENTARY

Review of the year

The year under review presented many challenges but our businesses maintained the growth achieved in the previous financial years with a 12% increase in revenue to R242,5 million (2013: R216,7 million). Comprehensive income increased by 17% to R48,6 million (2013: R41,6 million).

The comprehensive income attributable to equity holders of the parent amounted to R42,9 million (2013: R37,9 million) with earnings per share of 524,9 cents (2013: 463,8 cents). Headline earnings per share were 524,3 cents (2013: 463,9 cents).

After paying tax of R19,3 million (2013: R18,8 million), the group generated R62,5 million (2013: R44,6 million) in cash from its operating activities during the year. The group invested R1,2 million in preparation for development of the site in Bloemfontein earmarked to be the new home of the Central Media Group and spent R3,2 million (2013: R2,8 million) on capital expenditure. The group ended the period with cash resources of R106,3 million (2013: R78,8 million).

Operations

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

Algoa FM's profitability increased in the second half of the financial year on the back of aggressive national marketing spend in the banking sector. Both National and Direct advertising revenues delivered results above expectation. Listenership increased marginally year on year. A strategic decision to dispose of the shareholding in Sport Elizabeth was taken after year-end. A new commercial licence has been awarded in the Eastern Cape, with a broadcast footprint covering Umthatha and Butterworth. This new licence will operate outside of Algoa FM's current coverage area.

Central Media Group was able to deliver results above expectation. All four business units delivered solid results, with significant new business for Digital Platforms and Redstar. OFM's revenues showed strong growth, and audience figures were stable despite a reshuffled on-air line-up. Mahareng also showed Bloemfontein Courant as the city's premier local newspaper. Capital projects were also approved and initiated which will see Central Media develop custom-designed offices in a new business extension in Bloemfontein, giving the company a permanent address for the first time since privatisation.

A new secondary market licence in Bloemfontein has been awarded. While this will invariably bring some degree of competition, this new entrant is not licensed into OFM's ambit, in terms of format. The radio station will continue to engage with its core audiences and provide them with outstanding programming and great music to ensure loyalty towards the radio station.

RadioHeads' narrow focus on providing branded content, creative services and campaign management was rewarded by strong interest from blue chip advertisers, looking for greater levels of engagement with their prospects. The team executed a number of high profile campaigns during the year and is focused on leveraging these successes to renew commissions, attract new clients and ensure sustainability going forward.

Specialist media sales house United Stations delivered another strong performance and solid progress has been achieved in its strategy to increase the potential of its portfolio through innovating new non-traditional advertising opportunities. A New Business drive has resulted in the successful acquisition of two new station clients, in the form of Gagasi FM and Heart FM. These stations create more opportunities for growth as they provide access to the lucrative Western Cape and KZN markets as well as increasing United Stations' ability to deliver the highly sought-after black middle-class market.

Dividends

An interim dividend (dividend no 4) of 100 cents per ordinary share (gross) was declared for the period ended 30 September 20 13 (2013:100 cents gross) and paid on 17 December 2013. The final dividend (dividend no 5) for the year ended 31 March 2014 is 200 cents per ordinary share (gross) (2013: 200 cents gross).

Declaration of final dividend no 5

The board has declared a final dividend (dividend no 5) of 200 cents per ordinary share (gross) for the year ended 31 March 2014. 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 200,00 cents per ordinary share for shareholders exempt from DWT;
- the net dividend amount is 170.00 cents per ordinary 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 day to trade in order to be eligible for the dividend will be Friday, 18 July 2014

Shares will trade ex-dividend from Monday, 21 July 2014

The record date will be Friday, 25 July 2014 and payment will be made on Monday, 28 July 2014.

Share certificates may not be dematerialised/rematerialised between Monday, 21 July 2014 and Friday, 25 July 2014, both days inclusive.

Prospects

The board is cautiously optimistic that the revenue for the 2015 year will compare favourably with that of the prior year.

ACG Molusi

Independent Non-executive Chairman

12 June 2014

Johannesburg

These provisional 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, and IAS34: Interim Financial Reporting, the Listings Requirements of the Johannesburg Stock Exchange and the SAICA Financial Reporting Guidelines as issued by the Accounting Profession Committee on a basis consistent with the policies and methods of computation as used in the annual financial statements for the year ended 31 March 2014.

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

Michelle Mynhardt

Financial director

AFRICAN MEDIA ENTERTAINMENT LIMITED

Incorporated in the Republic of South Africa

Registration number 1926/008797/06

JSE code: AME ISIN: ZAE000055802

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

REGISTERED OFFICE

Block A, Oxford Office Park

No. 5, 8th Street, Houghton Estate, Johannesburg, 2198

PO Box 3014, Houghton, 2041

TRANSFER SECRETARIES

Computershare Investor Services (Pty) Limited

Registration number 2004/003647/07

Ground Floor, 70 Marshall Street, Johannesburg, 2001

PO Box 61051, Marshalltown, 2107

Telephone: +27 11 370 5000

Telefax: +27 11 688 5238

SPONSOR

Arcay Moela Sponsors (Pty) Limited

Registration number 2006/033725/07

Ground Floor, One Health Building, Woodmead North Office Park

54 Maxwell Drive, Woodmead, 2191

PO Box 62397, Marshalltown, 2107

DIRECTORS

ACG Molusi (*Independent Non-executive Chairman*), KL Dube*, WTshuma*, MJ Prinsloo*

N Sooka*, M Mynhardt*, AJ Isbister (*Executive Director*),

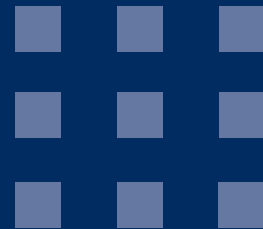
**Independent Non-executive Director*

**Executive Financial Director*

WWW.AME.CO.ZA

REVIEWED RESULTS

for the year ended 31 March 2014



AFRICAN MEDIA ENTERTAINMENT

CONSOLIDATED PROVISIONAL STATEMENTS OF COMPREHENSIVE INCOME

	Full year	Reviewed year ended 31 March 2014 R'000	Audited year ended 31 March 2013 R'000
Revenue	12	242 524	216 688
Cost of sales	11	(62 275)	(56 065)
Gross profit		180 249	160 623
Operating expenses		(119 684)	(107 249)
Operating profit	13	60 565	53 374
Investment income		1 750	1 930
Finance income		4 508	3 070
Finance cost		(53)	(73)
Profits/(losses) attributable to associates		343	(27)
Net profit before taxation	15	67 113	58 274
Taxation		(18 490)	(16 670)
SA normal taxation		(21 775)	(17 910)
Deferred taxation		3 285	1 240
Total comprehensive income for the period	17	48 623	41 604
Total comprehensive income attributable to:			
Non-controlling interest holders		5 766	3 710
Equity holders of the parent	13	42 857	37 894
Earnings per share (cents)	13	524.9	463.8
Headline earnings per share (cents)	13	524.3	463.9
Dividends per share (cents)		300	300
Weighted average number of shares in issue ('000)		8 165	8 171
Headline earnings reconciliation:			
Profit attributable to equity holders		42 857	37 894
(Profit)/loss on disposal of fixed assets		(61)	9
Tax on loss on disposal of asset		17	(3)
Headline earnings		42 813	37 900

CONSOLIDATED PROVISIONAL STATEMENTS OF FINANCIAL POSITION

	Reviewed year ended 31 March 2014 R'000	Audited year ended 31 March 2013 R'000
Assets		
Non-current assets	99 570	95 314
Property, plant and equipment	35 758	34 881
Goodwill	39 780	39 780
Investments	12 272	12 178
Deferred taxation	11 760	8 475
Current assets	163 840	146 552
Trade receivables	49 394	64 230
Other receivables	8 125	2 454
Dividends receivable	-	950
Tax paid in advance	42	134
Cash and cash equivalents	106 279	78 784
Total assets	263 410	241 866
Equity and liabilities		
Total equity	175 842	161 007
Non-current liabilities	-	41
Interest-bearing borrowings	-	41
Current liabilities	87 568	80 818
Trade payables	24 962	37 215
Other payables	58 326	41 828
Dividend payable	1 020	915
Operating lease accrual and interest-bearing borrowings	105	136
Taxation	3 155	724
Total equity and liabilities	263 410	241 866

CONSOLIDATED PROVISIONAL STATEMENTS OF CHANGES IN EQUITY

	Reviewed year ended 31 March 2014 R'000	Audited year ended 31 March 2013 R'000
Issued capital		
Balance at beginning of year	8 171	8 171
Shares repurchased and cancelled	(11)	-
Balance at end of year	8 160	8 171
Share premium		
Balance at beginning of year	13 742	13 742
Shares repurchased and cancelled	(821)	-
Balance at end of the year	12 921	13 742
Retained profit		
Balance at beginning of year	134 663	105 030
Total comprehensive income for the year	42 857	37 894
Dividend	(24 771)	(8 261)
Balance at end of year	152 749	134 663
Non-controlling interests		
Balance at beginning of year	4 431	7 148
Share of total comprehensive income for the year	5 766	3 710
Share of dividend	(8 185)	(6 427)
Balance at end of year	2 012	4 431
Total capital and reserves	175 842	161 007

CONSOLIDATED PROVISIONAL STATEMENTS OF CASH FLOWS

	Reviewed year ended 31 March 2014 R'000	Audited year ended 31 March 2013 R'000
Cash generated by operating activities	64 048	57 707
Net interest received	4 455	2 997
Taxation paid	(19 252)	(18 815)
Decrease in working capital	13 295	2 690
Cash flows from operating activities	62 546	44 579
Cash flows from investing activities	(2 200)	(8 356)
Cash flows from financing activities*	(32 851)	(14 549)
Net increase in cash and cash equivalents	27 495	21 674
Cash and cash equivalents at beginning of year	78 784	57 110
Cash and cash equivalents at end of year	106 279	78 784

* dividends paid

SEGMENTAL REPORTING

	Reviewed year ended 31 March 2014 R'000	Audited year ended 31 March 2013 R'000
Revenue		
Radio Broadcasting	209 182	187 551
Sales houses	33 342	29 137
Total	242 524	216 688
Profitability		
Radio Broadcasting	53 593	43 760
Sales houses	11 327	15 749
Company	(4 012)	(6 162)
Total operating profit	60 908	53 347
Investment income	1 750	1 930
Interest received	4 508	3 070
Interest paid	(53)	(73)
Taxation	(18 490)	(16 670)
Total comprehensive income for the period	48 623	41 604
Assets		
Radio Broadcasting	63 397	62 665
Sales houses	49 615	54 041
Company	44 119	46 376
Total	157 131	163 082
Liabilities		
Radio Broadcasting	34 542	32 494
Sales houses	45 575	42 193
Company	7 451	6 172
Total	87 568	80 859
Capital expenditure		
Radio Broadcasting	3 530	9 491
Sales houses	902	327
Company	11	15
Total	4 443	9 833
Depreciation		
Radio Broadcasting	2 421	3 018
Sales houses	1 017	990
Company	62	66
Total	3 500	4 074