

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 by 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 refocus 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 persisted throughout the year, 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.

Dividends

An interim dividend (dividend no 6) of 100 cents per ordinary share (gross) was declared for the period ended 30 September 2014. (2013: 100 cents gross) and paid on 12 January 2015. The final dividend (dividend no 7) for the year ended 31 March 2015 is 250 cents per ordinary share (gross) (2014: 200 cents per share).

Declaration of final dividend no 7

The board has declared a final dividend (dividend no 7) of 250,00 cents per ordinary share (gross) for the year ended 31 March 2015. The dividend is subject to the dividend 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 250,00 cents per ordinary share for shareholders exempt from DWT;
- the net dividend amount is 212,50 cents per ordinary share for shareholders liable for DWT;
- the company has 8 276 366 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, 3 July 2015.

Shares will trade ex-dividend from Monday, 6 July 2015.

The record date will be Friday, 10 July 2015 and payment will be made on Monday, 13 July 2015.

Share certificates may not be dematerialised/rematerialised between Monday, 6 July 2015 and Friday, 10 July 2015, both days inclusive.

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

4 June 2015

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, IAS 34: Interim Financial Reporting, the Listings Requirements of the Johannesburg Stock Exchange and the SAICA Financial Reporting Guidelines as issued by the Accounting Practices 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 and their unqualified report is available for inspection at the company's registered office.

Michelle Mynhardt (CA/SA)

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

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Telefax: +27 11 688 5238

SPONSOR

Arbor Capital Sponsors (Pty) Limited
Registration number 2006/033725/07
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54 Maxwell Drive, Woodmead, 2191
PO Box 62397, Marshalltown, 2107

DIRECTORS

ACG Molusi (*Independent Non-executive Chairman*), KL Tlhabane*, WTshuma*, MJ Prinsloo*
N Sooka*, M Mynhardt (*Executive Financial Director*), AJ Isbister (*Executive Director*),
**Independent Non-executive Director*

REVIEWED RESULTS

for the year ended 31 March 2015

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CONSOLIDATED PROVISIONAL STATEMENTS OF COMPREHENSIVE INCOME

| | | Reviewed year ended 31 March 2015 R'000 | Audited year ended 31 March 2014 R'000 |
|--|-------------|---|--|
| | % change | | |
| Revenue | 5 | 254 631 | 242 524 |
| Cost of sales | (2) | (61 047) | (62 275) |
| Gross profit | | 193 584 | 180 249 |
| Operating expenses | | (123 428) | (119 684) |
| Operating profit | 16 | 70 156 | 60 565 |
| Investment income | | 1 750 | 1 750 |
| Finance income | | 5 879 | 4 508 |
| Finance cost | | (6) | (53) |
| Profits attributable to associates | | 507 | 343 |
| Net profit before taxation | 17 | 78 286 | 67 113 |
| Taxation | | (21 715) | (18 490) |
| SA normal taxation | | (22 359) | (21 775) |
| Deferred taxation | | 644 | 3 285 |
| Total comprehensive income for the year | 16 | 56 571 | 48 623 |
| Total comprehensive income attributable to: | | | |
| Non-controlling interest holders | 20 | 6 942 | 5 766 |
| Equity holders of the parent | 16 | 49 629 | 42 857 |
| Earnings per share (cents) | 16 | 608.2 | 524.9 |
| Headline earnings per share (cents) | 17 | 612.5 | 524.3 |
| Dividends per share (cents) | | 350 | 300 |
| Weighted average number of shares in issue ('000) | | 8 160 | 8 165 |
| Headline earnings reconciliation: | | | |
| Profit attributable to equity holders | | 49 629 | 42 857 |
| Loss/(profit) on disposal of investment/fixed assets | | 354 | (61) |
| Tax on disposal of assets | | - | 17 |
| Headline earnings | | 49 983 | 42 813 |

CONSOLIDATED PROVISIONAL STATEMENTS OF FINANCIAL POSITION

| | | Reviewed 31 March 2015 R'000 | Audited 31 March 2014 R'000 |
|-------------------------------------|--|---------------------------------------|--------------------------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | | 60 152 | 35 758 |
| Goodwill | | 39 426 | 39 780 |
| Investments | | 13 476 | 12 272 |
| Deferred taxation | | 12 387 | 11 760 |
| Current assets | | 185 713 | 163 840 |
| Trade receivables | | 71 634 | 49 394 |
| Other receivables | | 8 242 | 8 125 |
| Tax paid in advance | | 324 | 42 |
| Cash and cash equivalents | | 105 513 | 106 279 |
| Total assets | | 311 154 | 263 410 |
| Equity and liabilities | | | |
| Total equity | | 201 504 | 175 842 |
| Current liabilities | | 109 650 | 87 568 |
| Trade payables | | 37 945 | 24 962 |
| Other payables | | 68 587 | 58 326 |
| Dividend payable | | 1 245 | 1 020 |
| Operating lease accrual | | - | 105 |
| Taxation | | 1 873 | 3 155 |
| Total equity and liabilities | | 311 154 | 263 410 |

CONSOLIDATED PROVISIONAL STATEMENTS OF CHANGES IN EQUITY

| | Reviewed year ended 31 March 2015 R'000 | Audited year ended 31 March 2014 R'000 |
|--|---|--|
| Issued capital | | |
| Balance at beginning of year | 8 160 | 8 171 |
| Shares repurchased and cancelled | (1) | (11) |
| Balance at end of year | 8 159 | 8 160 |
| Share premium | | |
| Balance at beginning of year | 12 921 | 13 742 |
| Shares repurchased and cancelled | (82) | (821) |
| Balance at end of the year | 12 839 | 12 921 |
| Retained profit | | |
| Balance at beginning of year | 152 749 | 134 663 |
| Change in shareholding | 1 903 | - |
| Total comprehensive income for the year | 49 629 | 42 857 |
| Dividend | (24 521) | (24 771) |
| Balance at end of year | 179 760 | 152 749 |
| Non-controlling interests | | |
| Balance at beginning of year | 2 012 | 4 431 |
| Change in shareholding | (1 912) | - |
| Share of total comprehensive income for the year | 6 942 | 5 766 |
| Share of dividend | (6 296) | (8 185) |
| Balance at end of year | 746 | 2 012 |
| Total capital and reserves | 201 504 | 175 842 |

CONSOLIDATED PROVISIONAL STATEMENTS OF CASH FLOWS

| | Reviewed year ended 31 March 2015 R'000 | Audited year ended 31 March 2014 R'000 |
|--|---|--|
| Cash generated by operating activities | 74 008 | 64 048 |
| Net interest received | 5 873 | 4 455 |
| Taxation paid | (23 923) | (19 252) |
| (Increase)/decrease in working capital | (636) | 13 295 |
| Cash flows from operating activities | 55 322 | 62 546 |
| Cash flows from investing activities | (25 497) | (2 200) |
| Cash flows from financing activities* | (30 591) | (32 851) |
| Net (decrease)/increase in cash and cash equivalents | (766) | 27 495 |
| Cash and cash equivalents at beginning of year | 106 279 | 78 784 |
| Cash and cash equivalents at end of year | 105 513 | 106 279 |

* Dividends paid

SEGMENTAL REPORTING

| | Reviewed year ended 31 March 2015 R'000 | Audited year ended 31 March 2014 R'000 |
|---|---|--|
| Revenue | | |
| Radio Broadcasting | 210 278 | 209 182 |
| Radio Services | 44 142 | 33 342 |
| Corporate | 211 | - |
| Total | 254 631 | 242 524 |
| Profitability | | |
| Radio Broadcasting | 56 311 | 53 250 |
| Radio Services | 15 691 | 11 327 |
| Corporate | (1 846) | (4 012) |
| Total operating profit | 70 156 | 60 565 |
| Unallocated/eliminated corporate net expense and intercompany consolidation | 507 | 343 |
| Investment income | 1 750 | 1 750 |
| Interest received | 5 879 | 4 508 |
| Interest paid | (6) | (53) |
| Taxation | (21 715) | (18 490) |
| Total comprehensive income for the year | 56 571 | 48 623 |
| Assets | | |
| Radio Broadcasting | 66 009 | 63 397 |
| Radio Services | 68 141 | 49 615 |
| Corporate | 71 491 | 44 119 |
| Total | 205 641 | 157 131 |
| Liabilities | | |
| Radio Broadcasting | 49 521 | 34 542 |
| Radio Services | 51 718 | 45 575 |
| Corporate | 8 411 | 7 451 |
| Total | 109 650 | 87 568 |
| Capital expenditure | | |
| Radio Broadcasting | 5 353 | 3 530 |
| Radio Services | 1 050 | 902 |
| Corporate | 22 572 | 11 |
| Total | 28 975 | 4 443 |
| Depreciation | | |
| Radio Broadcasting | 2 599 | 2 421 |
| Radio Services | 788 | 1 017 |
| Corporate | 208 | 62 |
| Total | 3 595 | 3 500 |

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