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## AFRICAN MEDIA ENTERTAINMENT LIMITED - Unaudited Interim Results for the Six Months Ended 30 September 2012 20 Nov 2012

AME 201211200010A

Unaudited Interim Results for the Six Months Ended 30 September 2012

African Media Entertainment Limited  
(Incorporated in the Republic of South Africa)  
(Registration number 1926/008797/06)  
Share code: AME ISIN: ZAE000055802  
("AME", "the company" or "the group")

UNAUDITED  
INTERIM RESULTS  
for the six months ended 30 September 2012

## CONSOLIDATED ABRIDGED STATEMENTS OF COMPREHENSIVE INCOME

		Unaudited six months to September 2012	Unaudited six months to September 2011	Audited year ended 31 March 2012
	% change	R'000	R'000	R'000
Revenue	(9)	96 274	106 005	206 075
Cost of sales	(14)	(25 223)	(29 208)	(54 068)
Gross profit		71 051	76 797	152 007
Operating expenses		(49 631)	(52 047)	(102 020)
Operating profit	(13)	21 420	24 750	49 987
Investment income		1 449	(9)	1 241
Finance income		1 450	1 612	2 942
Finance cost		(18)	(19)	(73)
Profits/(Losses) attributable to associates		68	(123)	(201)
Net profit before taxation	(7)	24 369	26 211	53 896
Taxation		(6 690)	(7 534)	(13 173)
SA normal taxation		(6 804)	(7 129)	(15 766)
Deferred taxation		114	(405)	2 593
Total comprehensive income for the period	(5)	17 679	18 677	40 723
Total comprehensive income attributable to:				
Non-controlling interest holders		1 947	2 083	4 324
Equity holders of the parent	(5)	15 732	16 594	36 399
Earnings per share (cents)	(3)	189,4	195,2	428,8
Headline earnings per share (cents)	(3)	189,4	195,2	428,9
Diluted earnings per share (cents)	(1)	189,4	191,4	428,8
Diluted headline earnings per share (cents)	(1)	189,4	191,4	428,9
Dividends per share (cents)				
Weighted average number of shares in issue ('000)		8 307	8 501	8 488
Diluted average number of shares in issue ('000)		8 307	8 671	8 488
Headline earnings reconciliation:				
Profit attributable to equity holders		15 732	16 594	36 399
Loss on disposal of fixed assets				3
Tax on loss on disposal of asset				(1)
Impairment of loans to associate				
Headline earnings		15 732	16 594	36 401

## CONSOLIDATED ABRIDGED STATEMENTS OF FINANCIAL POSITION

	Audited	Unaudited	Unaudited	
	March	September	September	31
	2012	2012	2011	
	R'000	R'000	R'000	
Assets				
Non-current assets		88 592	86 467	89
028				
Property, plant and equipment		28 494	29 459	29
130				
Investments		12 954	12 986	12
883				
Goodwill		39 780	39 785	39
780				
Deferred taxation		7 364	4 237	7
235				
Current assets		127 728	105 129	116
320				
Trade receivables		54 775	48 103	56
563				
Other receivables		4 303	2 968	2

621			
Tax paid in advance	1 356		
26			
Cash and cash equivalents	67 294	54 058	57
110			
Total assets	216 320	191 596	205
348			
Equity and liabilities			
Total equity	146 972	132 062	134
091			
Non-current liabilities	277	333	
315			
Operating lease accrual	200	121	
200			
Interest-bearing borrowings	77	212	
115			
Current liabilities	69 071	59 201	70
942			
Trade payables	31 741	31 510	33
531			
Other payables	36 479	26 846	34
738			
Dividend payable	776		
777			
Operating lease accrual and interest-bearing borrowings	75	123	
375			
Taxation		722	1
521			
Total equity and liabilities	216 320	191 596	205
348			

## CONSOLIDATED ABRIDGED STATEMENTS OF CHANGES IN EQUITY

Audited	Unaudited	Unaudited	
ended	six months to	six months to	year
March	September	September	31
2012	2012	2011	
R'000	R'000	R'000	
Issued capital			
Balance at beginning of period	8 171	8 539	8
539			
Shares repurchased		(38)	
(368)			
Balance at end of period	8 171	8 501	8
171			
Share premium			
Balance at beginning of period	13 742	31 909	31
909			
Shares repurchased		(1 606)	(18
167)			
Change in shareholding			
Balance at end of period	13 742	30 303	13
742			
Retained profit			
Balance at beginning of period	105 030	70 237	70
237			
Change in shareholding		(1 711)	(1
606)			
Total comprehensive income for period	15 732	16 594	36
399			
Dividend			
Balance at end of period	120 762	85 120	105
030			
Non-distributable reserve			
Balance at beginning of period		2 073	2
073			
Fair value adjustment on available for sale financial assets		536	(2
073)			
Share-based payment expense			
517			
Balance at end of period		3	
126			
Non-controlling interests			
Balance at beginning of period	7 148	1 218	1
218			
Share of dividend	(4		
798)			

Change in shareholding		1 711	1
606			
Share of total comprehensive income for period	1 947	2 083	4
324			
Balance at end of period	4 297	5 012	7
148			
Total capital and reserves	146 972	132 062	134
091			

## CONSOLIDATED ABRIDGED STATEMENTS OF CASH FLOWS

	Unaudited six months to September 2012 R'000	Unaudited six months to September 2011 R'000	Audited year ended 31 March 2012 R'000
Cash generated by operating activities	23 627	25 912	52 807
Net interest received	1 432	1 371	2 869
Taxation paid	(9 750)	(7 619)	(15 483)
(Increase)/decrease in working capital	(282)	2 061	1 080
Cash flows from operating activities	15 027	21 725	41 273
Dividends paid			
Cash flows from investing activities	(511)	(12 226)	(30 744)
Cash flows from financing activities	(4 332)	(2 022)	
Net increase in cash and cash equivalents	10 184	7 477	10 529
Cash and cash equivalents at beginning of period	57 110	46 581	46 581
Cash and cash equivalents at end of period	67 294	54 058	57 110

## SEGMENTAL REPORTING

	Unaudited six months to September 2012 R'000	Unaudited six months to September 2011 R'000	Audited year ended 31 March 2012 R'000
Revenue			
Radio Broadcasting	83 619	87 079	178 682
Sales houses	12 655	18 926	27 393
Company			
Total	96 274	106 005	206 075
Profitability			
Radio Broadcasting	19 793	20 465	39 348
Sales houses	6 864	3 306	10 941
Company	(5 237)	979	(302)
Total operating profit	21 420	24 750	49 987
Unallocated/eliminated corporate net expense and inter-company consolidation	68	(123)	(201)
Investment income	1 449	(9)	1 241
Interest received	1 450	1 612	2 942
Interest paid	(18)	(19)	(73)
Taxation	(6 690)	(7 534)	(13 173)
Total comprehensive income for period	17 679	18 677	40 723
Assets			
Radio Broadcasting	54 724	54 178	55 445
Sales houses	54 133	51 444	49 543
Company	40 169	31 916	43 250
Total	149 026	137 538	148 238
Liabilities			
Radio Broadcasting	28 469	18 245	29 670
Sales houses	35 757	36 823	35 871
Company	5 122	4 466	5 716
Total	69 348	59 534	71 257
Capital expenditure			
Radio Broadcasting	1 385	1 698	3 023
Sales houses	98	283	608
Company	8	4 053	4 091
Total	1 491	6 034	7 722
Depreciation			
Radio Broadcasting	1 582	1 465	2 927
Sales houses	511	488	975
Company	35	32	66
Total	2 128	1 985	3 968

## COMMENTARY

## CHAIRMAN'S REVIEW

Review of the six-month period to 30 September 2012

The results for the period under review are disappointing when compared to the previous corresponding period, but that

corresponding period was 38% up on the previous period. These results reflect the difficult trading conditions, with a 9%

decrease in revenue to R96,3 million (Sept 2011: R106 million). Comprehensive income decreased by 5% to R17,7 million

(Sept 2011: R18,7 million).

The comprehensive income attributable to equity holders of the parent amounted to R15,7 million (Sept 2011: R16,6 million) with earnings per share of 189,4 cents (Sept 2011: 195,2 cents). Headline earnings per share decreased by only 1% to 189,4 cents (Sept 2011: 191,4 cents), mainly as a result of the lower number of shares in issue following the share repurchases. After paying tax of R9,7 million (Sept 2011: R7,6 million), the group generated R15 million (Sept 2011: R21,7 million) in cash from its operating activities during the period. The group spent R1,5 million (Sept 2011: R6 million) on capital expenditure and ended the period with cash resources of R67 million (Sept 2011: R54 million).

#### Operations

National sales on both the Algoa and OFM platforms were below expectation but the second six months started well and in line with expectation.

The diversification and expansion programmes of our radio platforms into other local media brands continue to positively contribute toward the bottom line.

Through innovative sales programmes Algoa FM's local sales have improved compared to the same period last year and their new media revenues have grown significantly. A successful local sales package programme should result in a more positive result in the second half of the year.

Direct revenue on OFM remained stable with good growth prospects on the back of new radio products. The Digital Platforms team grew their development pipeline, while associated digital revenue remained stable. Mahareng Publishing and Redstar Talent attained profitability, and are currently tracking well against budget.

Algoa FM's listenership remained stable with OFM listenership seeing a decline. Effective cost control remains a focus of both companies.

Coming off a record performance last year, United Stations experienced tough trading in the first and second quarters. The team is committed to provide quality opportunities for advertisers that make its properties the logical choice.

RadioHeads has refined its strategy to develop content across radio platforms with content extensions spanning digital and television platforms. The strategy has been implemented within a strict cost-controlled environment. It is envisioned that the revised strategy will take a full 12 months to implement, with growth expected to show only in the next fiscal year. This business has to date performed below expectations.

#### Declaration of interim dividend no 2

The board has declared an interim dividend (dividend no 2) of 100 cents per ordinary share (gross) for the period ended 30 September 2012. The dividend is subject to the Dividends Withholding Tax ("DWT") that was introduced with effect from 1 April 2012. In accordance with the provisions of the JSE Listings Requirements, the following additional information is disclosed:

the dividend has been declared out of current profits available for distribution;  
the local Dividend Tax rate is 15%;  
the gross dividend amount is 100,0 cents per ordinary share for shareholders exempt from DWT;  
Secondary Tax on Companies ("STC") credits available amount to 29,25808 cents per ordinary share;  
the net dividend amount is 89,38871 cents per ordinary share for shareholders liable for DWT;  
the company has 8 288 308 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, 7 December 2012.

Shares will trade ex-dividend from Monday, 10 December 2012.

The record date will be Friday, 14 December 2012 and payment will be made on Tuesday, 18 December 2012.

Share certificates may not be dematerialised/rematerialised between Monday, 10 December 2012 and Friday, 14 December 2012, both days inclusive.

#### Prospects

Even though the group has faced a challenging six months, especially in the national sales market, the board is cautiously optimistic that the results for the year to 31 March 2013 will reflect an improvement over those of the previous year.

ACG Molusi  
Independent Non-executive Chairman  
20 November 2012

These abridged results have been prepared by the financial director in accordance with International Financial Reporting Standards ("IFRS"), IAS 34 interim financial reporting, AC 500 series, the Companies Act, No. 71 of 2008, as amended, and the Listings Requirements of the Johannesburg Stock Exchange on a basis consistent with the policies and methods of computation as used in the annual financial statements for the year ended 31 March 2012.

Michelle Mynhardt  
Financial Director  
20 November 2012

African Media Entertainment Limited  
(Incorporated in the Republic of South Africa) (Registration number 1926/008797/06)  
Share code: AME ISIN: ZAE000055802 ("AME", "the company" or "the group")

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2107

Directors  
ACG Molusi (Chairman)\*, AJ Davies, M Mynhardt, MJ Prinsloo\*, N Sooka\*, W Tshuma\*, KL Dube\*  
\*Independent Non-executive

Date: 20/11/2012 09:35:00 Produced by the JSE SENS Department. The SENS service is an information dissemination service administered by the JSE Limited ('JSE').

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