

CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

		Unaudited six months to 30 September 2018 R'000	Unaudited six months to 30 September 2017 R'000	Audited year ended 31 March 2018 R'000
	% change			
Revenue	20%	140 003	117 048	262 534
Cost of sales	32%	(39 646)	(29 720)	(78 986)
Gross profit		100 357	87 328	183 548
Operating expenses		(84 385)	(65 098)	(124 077)
Operating profit	(26%)	15 972	22 230	59 471
Investment income		1 500	1 480	2 480
Finance income		2 601	3 816	7 763
Finance cost		(8)	–	(81)
Equity accounted earnings from associates		170	98	448
Net profit before taxation	(25%)	20 235	27 624	70 081
Taxation		(5 201)	(7 385)	(19 354)
SA normal taxation		(8 599)	(8 834)	(19 060)
Deferred taxation		3 398	1 449	(294)
Profit for the period	(24%)	15 034	20 239	50 727
Other comprehensive income: Items that will be reclassified subsequently to profit and loss				
Available for sale financial assets		–	–	3 958
Fair value adjustment		–	–	5 100
Deferred tax relating to fair value adjustment		–	–	(1 142)
Total comprehensive income for the period		15 034	20 239	54 685
Profit attributable to:				
Non-controlling interest holders		1 543	3 501	7 005
Equity holders of the parent		13 491	16 738	43 722
		15 034	20 239	50 727
Total comprehensive income attributable to:				
Non-controlling interest holders		1 543	3 501	7 005
Equity holders of the parent		13 491	16 738	47 680
		15 034	20 239	54 685
Earnings per share (cents)	(19.3%)	168.4	208.7	541.4
Headline earnings per share (cents)	(19.3%)	168.5	208.7	541.5
Dividends per share (cents)		80	100	300
Weighted average number of shares in issue (000's)		8 012	8 022	8 076
Headline earnings reconciliation				
Profit attributable to equity holders		13 491	16 738	43 722
Profit on disposal of fixed assets		8	3	11
Tax on disposal of fixed assets		(2)	(1)	(3)
Headline earnings		13 497	16 740	43 730

CONSOLIDATED CONDENSED STATEMENTS OF FINANCIAL POSITION

	Unaudited 30 September 2018 R'000	Unaudited 30 September 2017 R'000	Audited 31 March 2018 R'000
ASSETS			
Non-current assets	205 446	154 119	196 836
Property, plant and equipment	78 888	72 789	72 371
Goodwill	58 262	51 940	58 262
Other intangible assets	27 000	2 000	27 000
Investments in associated companies	4 401	4 600	4 582
Other financial instruments	20 355	10 377	21 081
Deferred taxation	16 540	12 413	13 540
Current assets	140 790	163 951	151 713
Trade receivables	53 844	47 292	48 275
Other receivables	3 130	5 297	8 848
Tax paid in advance	45	559	45
Cash and cash equivalents	83 771	110 803	94 545
Total assets	346 236	318 070	348 549
EQUITY AND LIABILITIES			
Total equity	260 857	237 242	261 882
Non-current liabilities	146	–	544
Deferred tax liability	146	–	544
Current liabilities	85 233	80 828	86 123
Trade payables	25 683	10 785	14 684
Other payables	57 451	67 531	68 742
Dividend payable	1 736	1 708	1 736
Taxation	363	804	961
Total equity and liabilities	346 236	318 070	348 549

CONSOLIDATED CONDENSED STATEMENTS OF CHANGES IN EQUITY

	Unaudited six months to 30 September 2018 R'000	Unaudited six months to 30 September 2017 R'000	Audited year ended 31 March 2018 R'000
Issued capital			
Balance at beginning of period	8 012	7 965	7 965
New shares issued	–	277	277
Shares repurchased and cancelled	–	(85)	(230)
Balance at end of period	8 012	8 157	8 012
Share premium			
Balance at beginning of period	3 846	–	–
New shares issued	–	14 736	14 736
Shares repurchased and cancelled	–	(4 304)	(10 890)
Balance at end of period	3 846	10 432	3 846
Retained earnings			
Balance at beginning of period	229 465	218 678	218 678
Total earnings for the period	13 491	16 738	43 722
Change in shareholding	–	–	(4 130)
Dividend declared	(16 059)	(20 106)	(28 097)
Shares repurchased and cancelled	–	(707)	(708)
Balance at end of period	226 897	214 603	229 465
Non-Distributable Reserve			
Balance at beginning of period	3 958	–	–
Other comprehensive income	–	–	3 958
Balance at end of period	3 958	–	3 958
Non-controlling interests			
Balance at beginning of period	16 601	4 222	4 222
Preference shares held by non-controlling interest holder	–	–	10 178
Change in shareholding	–	–	4 130
Acquisition NCI due to business combination	–	–	(3 294)
Comprehensive income for the period	1 543	3 501	7 005
Share of dividend	–	(3 673)	(5 640)
Balance at end of period	18 144	4 050	16 601
Total capital and reserves	260 857	237 242	261 882

CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS

	Unaudited six months to 30 September 2018 R'000	Unaudited six months to 30 September 2017 R'000	Audited year ended 31 March 2018 R'000
Cash generated by operating activities	19 215	25 443	63 391
Net interest received	2 593	3 816	7 682
Taxation paid	(9 196)	(10 686)	(20 240)
Decrease in working capital	(142)	429	(19 986)
– decrease/(increase) in trade and other receivables	149	(1 899)	(2 367)
– (decrease)/increase in trade and other payables	(291)	2 328	(17 619)
Cash flows from operating activities	12 470	19 002	30 847
Cash flows from investing activities	(7 185)	3 358	(8 116)
– decrease/(increase) in investments and loans	1 076	(182)	(5 637)
– acquisition of business combination	–	3 756	(1 273)
– purchase of property plant and equipment	(9 951)	(1 708)	(3 712)
– other	190	12	26
– dividends received	1 500	1 480	2 480
Cash flows from financing activities	(16 059)	(30 724)	(47 353)
– dividends paid to equity holders	(16 059)	(20 073)	(28 003)
– dividends paid to non-controlling interest holder	–	(3 673)	(5 640)
– share issue cost	–	(1 882)	(1 882)
– repurchase of shares	–	(5 096)	(11 828)
Net decrease in cash and cash equivalents	(10 774)	(8 364)	(24 622)
Cash and cash equivalents at beginning of period	94 545	119 167	119 167
Cash and cash equivalents at end of period	83 771	110 803	94 545

SEGMENTAL REPORTING

	Unaudited six months to 30 September 2018 R'000	Unaudited six months to 30 September 2017 R'000	Audited year ended 31 March 2018 R'000
Revenue			
Radio broadcasting	108 089	104 865	210 831
Media services	31 914	11 964	51 472
Corporate	–	219	231
Total	140 003	117 048	262 534
Profitability			
Radio broadcasting	21 539	28 567	60 471
Media services	(5 210)	(3 149)	(3 412)
Corporate	(357)	(3 188)	2 412
Total operating profit	15 972	22 230	59 471
Profits from associates	170	98	448
Investment income	1 500	1 480	2 480
Interest received	2 601	3 816	7 763
Interest paid	(8)	–	(81)
Taxation	(5 201)	(7 385)	(19 354)
Total comprehensive income for the year	15 034	20 239	50 727
Assets			
Radio broadcasting	114 927	66 301	108 408
Media services	68 521	21 992	67 220
Corporate	79 017	118 974	78 376
Total	262 465	207 267	254 004
Liabilities			
Radio broadcasting	49 453	46 167	53 469
Media services	28 356	25 911	23 689
Corporate	7 570	8 750	9 509
Total	85 379	80 828	86 667
Capital expenditure			
Radio broadcasting	3 742	1 495	3 210
Media services	612	77	197
Corporate	5 598	137	305
Total	9 952	1 709	3 712
Depreciation			
Radio broadcasting	2 851	2 832	5 842
Media services	251	222	465
Corporate	133	156	303
Total	3 235	3 210	6 610

CHAIRMAN'S REVIEW

Trading conditions for the period under review remained tough. Revenue increased by 20% to R140 million (2017: R117 million) mainly as a result of the acquisition of Moneyweb and a shareholding in Classic1027. Total comprehensive income attributable to equity holders decreased by 19% to R13,4 million (2017: R16,7 million) mainly due to the losses still being incurred by Classic1027 and Moneyweb. Earnings per share were 168,4 cents (2017: 208,7 cents) and headline earnings per share were 168,5 cents (2017: 208,7 cents).

The group generated R12,5 million (2017: R19 million) in cash from its operating activities during the period after paying tax of R9,2 million (2017: R10,7 million). The group spent R10 million (2017: R1,7 million) on capital expenditure including R5,5 million on a new home for Algoa FM. During the period, the company paid dividends of R16 million (2017: 20,1 million) to shareholders of the company and ended with cash resources of R83,8 million (2017: R110,8 million).

OPERATIONS

Low business confidence resulted in demanding trading conditions. The restructuring and turnaround of Moneyweb and Classic1027 placed further strain on our resources. Innovation and tight cost control remain imperatives.

Algoa FM delivered a solid performance year to date with both national and direct sales marginally up on last year. Cost containment remains a priority whilst the station's listenership remained stable. Algoa FM's flagship event, the Big Walk for Cancer, was a huge success with a record number of participants taking part in the 5km event. The Big Walk is now the Eastern Cape's largest family participation event. Algoa FM has recently announced that it will during October 2019 be moving to state-of-the-art new premises in the Baakens Valley, Port Elizabeth. The building is owned and being developed by the group's property company.

The sharp decline in **Central Media Group's** revenue from national advertisers resulted in a decline in net advertising revenue of 17% when compared to the same period of last year. Cost containment has been effective, and operating expenditure only increased by 3,5% against the previous period. New initiatives are being launched to offset the decline, caused principally by digital media owners. Mahareng performed extremely well, increasing EBITDA 98% year-on-year. A raft of new products, and closure of loss-making newspapers were the key drivers for this growth. Redstar Agency has seen a significant cutback in effective rates for promotions from national agencies, which coupled with the loss of two major projects, resulted in a 51% decrease in EBITDA. Measures are being put in place to create new event management opportunities. Digital Platforms continued to grow with larger digital development projects, and this resulted in an EBITDA growth of 27% against last year.

RadioHeads continued its good growth, despite the tough trading conditions.

The decline in **United Stations'** revenues resulted in a loss for the period. This was due mainly to the cost associated with managing the evolution of the business model across the digital divide and revenue from new partners not coming on line as quickly as forecasted. This loss in revenue is unlikely to be recovered in the remaining six months. While retaining focus on its core radio platforms, United Stations has made significant progress in building bespoke solutions and creating new opportunities for its customers, which is evidenced by a number of new products spanning programmatic buying, online audio, activations, events and content creation.

During the period **Classic1027** repositioned the programming, sales and staffing structure of the business. A key driver for the business is the increase in audience by attracting a younger, more diverse listener with the aim of increasing revenue. It has taken longer than expected to turn this business around, but we are confident that it will become a profitable venture.

Moneyweb continued to streamline its business operations with the key focus being on both digital and radio content provision. Management succeeded in reducing costs across the board at the company. Digital sales on Moneyweb.co.za has been above expectation, with the sales team now forming part of United Stations. The radio team continues to provide excellent content across three stations, namely Classic1027, SAFM and RSG. Moneyweb is currently in negotiations with the SABC regarding a new advertising sales agreement.

LICENCE RENEWALS

All three radio stations have submitted their licence applications and are awaiting ICASA's decision.

DIVIDENDS

The final dividend (Dividend No 13) of 200 cents per ordinary share (gross) was declared for the year ended 31 March 2018 (2017: 250 cents gross) and paid on 16 July 2018. An interim dividend (Dividend No 14) for the period ended 30 September 2018 of 80 cents per ordinary share (gross) (2017: 100 cents per ordinary share (gross)) is proposed.

DECLARATION OF INTERIM DIVIDEND NO 14

The board declared an interim dividend (Dividend No.14) of 80,00 cents per ordinary share (gross) for the period ended 30 September 2018. 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 withholding Tax rate is 20%
- the gross dividend amount is 80,00 cents per ordinary share for shareholders exempt from DWT
- the net dividend amount is 64,00 cents per ordinary share for shareholders liable for DWT
- the company has 8 100 934 ordinary shares in issue
- 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 Tuesday, 8 January 2019.

Shares will trade *ex-dividend* from Wednesday, 9 January 2019.

The record date will be Friday, 11 January 2019 and payment will be made on Monday, 14 January 2019.

Share certificates may not be dematerialised/rematerialised between Wednesday, 9 January 2019 and Friday, 11 January 2019, both days inclusive.

PROSPECTS

The board expects the trading conditions for the remaining six months to remain challenging while turning our two acquisitions around is taking longer than expected.

ACG MOLUSI

Independent Non-executive Chairman

27 November 2018

These condensed 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 Guides 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 2018. The adoption of IFRS 9 and IFRS 15 have no material impact on these condensed results.

CORPORATE INFORMATION AFRICAN MEDIA ENTERTAINMENT LIMITED

Incorporated in the Republic of South Africa

Registration number 1926/008797/06

JSE code: AME

ISIN: ZAE00005802

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

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Non-executive Chairman)
J Edwards (Independent Non-executive)
MJ Prinsloo (Independent Non-executive)
N Sooka (Independent Non-executive)
K Williams-Thipe (Independent Non-executive)
AJ Isbister (Executive)
M Mynhardt (Executive Financial)

COMPANY SECRETARY

C Roberts

INTERIM RESULTS

For the half year ended 30 September 2018

