

CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

		Unaudited six months to 30 September 2017 R'000	Unaudited six months to 30 September 2016 R'000	Audited year ended 31 March 2017 R'000
	% change			
Revenue	(2%)	117 048	119 421	238 593
Cost of sales	(9%)	(29 720)	(32 573)	(59 680)
Gross profit		87 328	86 848	178 913
Operating expenses		(65 098)	(62 970)	(114 796)
Operating profit	(7%)	22 230	23 878	64 117
Investment income		1 480	2 000	4 250
Finance income		3 816	3 848	7 856
Finance cost		–	–	(6)
Profits attributable to associates		98	148	631
Net profit before taxation	(8%)	27 624	29 874	76 848
Taxation		(7 385)	(8 034)	(20 791)
SA normal taxation		(8 834)	(9 190)	(19 606)
Deferred taxation		1 449	1 156	(1 185)
Total comprehensive income for the period	(7%)	20 239	21 840	56 057
Total comprehensive income attributable to:				
Non-controlling interest holders		3 501	3 407	7 413
Equity holders of the parent	(9%)	16 738	18 433	48 644
Earnings per share (cents)	(9%)	208.7	229.8	609.2
Headline earnings per share (cents)	(8%)	208.7	226.7	606.9
Dividends per share (cents)		100	100	350
Weighted average number of shares in issue	('000)	8 022	8 022	7 985
Headline earnings reconciliation				
Profit attributable to equity holders		16 738	18 433	48 644
Profit on disposal of fixed assets		3	(249)	(257)
Tax on disposal of assets		(1)	–	72
Headline earnings		16 740	18 184	48 459

CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS

	Unaudited six months to 30 September 2017 R'000	Unaudited six months to 30 September 2016 R'000	Audited year ended 31 March 2017 R'000
Cash generated by operating activities	25 443	27 200	70 534
Net interest received	3 816	3 848	7 850
Taxation paid	(10 686)	(9 259)	(17 766)
Decrease in working capital	429	5 780	(9 563)
Cash flows from operating activities	19 002	27 569	51 055
Cash flows from investing activities	1 476	(2 361)	(2 303)
-Cash flow from investing activities other	(2 280)	(2 361)	(2 303)
-Cash flow from business acquisition	3 756	–	–
Cash flows from financing activities*	(28 842)	(30 997)	(43 637)
Net decrease in cash and cash equivalents	(8 364)	(5 789)	5 115
Cash and cash equivalents at beginning of period	119 167	114 052	114 052
Cash and cash equivalents at end of period	110 803	108 263	119 167

* Dividends paid and shares repurchased

CONSOLIDATED CONDENSED STATEMENTS OF FINANCIAL POSITION

	Unaudited 30 September 2017 R'000	Unaudited 30 September 2016 R'000	Audited 31 March 2017 R'000
ASSETS			
Non-current assets	154 119	141 386	138 630
Property, plant and equipment	72 789	74 206	73 822
Goodwill	51 940	39 426	39 426
Trademark	2 000	–	–
Investments	14 977	14 781	14 749
Deferred taxation	12 413	12 973	10 633
Current assets	163 951	153 331	167 648
Trade receivables	47 292	40 419	44 841
Other receivables	5 297	3 972	3 532
Tax paid in advance	559	677	108
Cash and cash equivalents	110 803	108 263	119 167
Total assets	318 070	294 717	306 278
EQUITY AND LIABILITIES			
Total equity	237 242	209 338	230 865
Current liabilities	80 828	85 379	75 413
Trade payables	10 785	14 796	14 361
Other payables	67 531	68 136	57 215
Dividend payable	1 708	1 592	1 642
Taxation	804	855	2 195
Total equity and liabilities	318 070	294 717	306 278

CONSOLIDATED CONDENSED STATEMENTS OF CHANGES IN EQUITY

	Unaudited six months to 30 September 2017 R'000	Unaudited six months to 30 September 2016 R'000	Audited year ended 31 March 2017 R'000
Issued capital			
Balance at beginning of period	7 965	8 120	8 120
New shares issued	277	–	–
Shares repurchased and cancelled	(85)	(155)	(155)
Balance at end of period	8 157	7 965	7 965
Share premium			
Balance at beginning of period	–	9 097	9 097
New shares issued	14 736	–	–
Shares repurchased and cancelled	(4 304)	(9 097)	(9 097)
Balance at end of period	10 432	–	–
Retained profit			
Balance at beginning of period	218 678	199 342	199 342
Total comprehensive income for the period	16 738	18 433	48 644
Shares repurchased and cancelled	(707)	–	(1 919)
Dividend	(20 106)	(21 865)	(27 389)
Balance at end of period	214 603	195 910	218 678
Non-controlling interests			
Balance at beginning of period	4 222	2 056	2 056
Share of total comprehensive income for the period	3 501	3 407	7 413
Share of dividend	(3 673)	–	(5 247)
Balance at end of period	4 050	5 463	4 222
Total capital and reserves	237 242	209 338	230 865

SEGMENTAL REPORTING

	Unaudited six months to 30 September 2017 R'000	Unaudited six months to 30 September 2016 R'000	Audited year ended 31 March 2017 R'000
Revenue			
Radio broadcasting	104 865	100 102	198 802
Radio services	11 964	19 083	39 283
Corporate	219	236	508
Total	117 048	119 421	238 593
Profitability			
Radio broadcasting	28 567	27 938	60 333
Radio services	(3 149)	(1 308)	2 184
Corporate	(3 188)	(2 752)	1 600
Total operating profit	22 230	23 878	64 117
Unallocated/eliminated corporate net expense and intercompany consolidation	98	148	631
Investment income	1 480	2 000	4 250
Interest received	3 816	3 848	7 856
Interest paid	–	–	(6)
Taxation	(7 385)	(8 035)	(20 791)
Total comprehensive income for the period	20 239	21 839	56 057
Assets			
Radio broadcasting	66 301	66 020	64 714
Radio services	21 992	35 114	31 640
Corporate	118 974	85 320	90 757
Total	207 267	186 454	187 111
Liabilities			
Radio broadcasting	46 167	53 727	49 863
Radio services	25 911	22 795	19 535
Corporate	8 750	8 857	6 015
Total	80 828	85 379	75 413
Capital expenditure			
Radio broadcasting	1 495	2 620	4 632
Radio services	77	141	250
Corporate	137	769	1 546
Total	1 709	3 530	6 428
Depreciation			
Radio broadcasting	2 832	2 784	5 510
Radio services	222	333	615
Corporate	156	158	313
Total	3 210	3 275	6 438

**CORPORATE INFORMATION
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
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Gallo Manor, 2052

DIRECTORS

ACG Molusi (Independent non-executive Chairman)
KI Tlhabane (Independent non-executive)
MJ Prinsloo (Independent non-executive)
N Sooka (Independent non-executive)
M Mynhardt (Executive Financial)
AJ Isbister (Executive)

COMPANY SECRETARY

C Roberts

CHAIRMAN'S REVIEW

Trading conditions for the period under review remained tough. Revenue decreased by 2% to R117 million (2016: R119,4 million) and comprehensive income decreased by 7% to R20,2 million (2016: R21,8 million). Comprehensive income attributable to shareholders amounted to R16,7 million (2016: R18,4 million), with earnings per share of 208,7 cents (2016: 229,8 cents). Headline earnings per share were 208,7 cents (2016: 226,7 cents).

After paying tax of R10,7 million (2016: R9,3 million), the group generated R19 million (2016: R27,6 million) in cash from its operating activities during the period. The group spent R1,7 million (2016: R3,5 million) on capital expenditure and paid R5,1 million (2016: R11 million) to repurchase 85 470 (2016: 155 144) of its own shares. During August 2017, the company acquired Moneyweb for R9,4 million cash and the issue of 277 210 shares. During the year, the company paid out dividends of R20,1 million (2016: 20,2 million) to shareholders and ended the year with cash resources of R110,8 million (2016: R108,3 million).

OPERATIONS

Low business confidence resulted in demanding trading conditions. Innovation and tight cost control remain imperatives.

Algoa FM delivered a solid performance with year-on-year revenue marginally up. Advertising revenue remains under pressure due to the tough trading conditions. Profitability is slightly lower than the prior period and cost containment remains a key focus area of the management team.

Central Media Group faced tough trading conditions and revenue is marginally down. Through tight cost control profitability is only marginally lower than the corresponding period. OFM continues to experience pressure on its ability to generate advertising revenue, especially from traditional radio advertisers as part of a general decline across the radio industry. Local advertising sales revenue grew marginally. **Digital Platforms** has taken on significant new business, and its contribution to revenue and profitability -to the Group - has grown against the same period last year. Central Media's broad range of products allows it to be well-positioned to take advantage of any improvement in trading conditions.

Radioheads has advanced its position in the industry, by becoming Content Marketing Agency of choice for several media agencies. Revenue and profitability is up from last year, but several new campaigns are in the pipeline for the end of the financial year.

While remaining focussed on its core radio platforms, the team at **United Stations** has made significant progress in positioning the company to compete in a fast changing media environment. During the half year, United Stations concluded new sales agreements with CliffCentral, Mail and Guardian and Jozi FM, while its technology platform Tysflo built streaming TV channels on behalf of Kaya TV and Moneyweb. Revenues and profitability are however still under pressure.

BUSINESS COMBINATION

On 21 August 2017, AME acquired 100% of Moneyweb. The purchase price was settled by the issue of 277 210 new AME shares and a cash consideration of R9,4 million.

The acquired business contributed incremental revenues of R1,6 million and a loss after tax of R718 000 to the group for the period from date of acquisition to 30 September 2017. Had the acquisition occurred on 1 April 2017 group revenue would have been R11,3 million higher and net profit after tax would have been R5,2 million lower. The assets and liabilities acquired, for which final fair values have been determined, are as follows:

BUSINESS COMBINATION

Property, plant and equipment	485
Trademark	2 000
Other financial instruments	28
Deferred taxation	332
Other current assets including bank and cash resources	15 425
Current liabilities	(4 458)
Net assets acquired	13 812
Goodwill	12 514
Purchase consideration shares and cash	26 326
Issue of shares	277
Share premium	16 619
Cash paid	9 430
	26 326
Cash paid on business acquisition	(9 430)
Cash purchased	13 186
Net cash inflow	3 756

DIVIDENDS

The final dividend (dividend number 11) of 250 cents per ordinary share (gross) was declared for the year ended 31 March 2017. (2016: 250 cents gross) and paid on 10 July 2017. The interim dividend (dividend number 12) for the period ended 30 September 2017 of 100 cents per ordinary share (gross) (2016: 100 cents per share gross) is proposed.

DECLARATION OF INTERIM DIVIDEND NUMBER 12

The board declared an interim dividend (dividend number 12) of 100.00 cents per ordinary share (gross) for the period ended 30 September 2017. 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 20%
- The gross dividend amount is 100,00 cents per ordinary share for shareholders exempt from DWT
- The net dividend amount is 80,00 cents per ordinary share for shareholders liable for DWT
- The company has 8 246 164 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, 23 January 2018

Shares will trade ex-dividend from Wednesday, 24 January 2018

The record date will be Friday, 26 January 2018 and payment will be made on Monday, 29 January 2018

Share certificates may not be dematerialised/rematerialised between Wednesday, 24 January 2018 and Friday, 26 January 2018, both days inclusive.

PROSPECTS

The board expects the trading conditions for the remaining six months of the year to remain challenging.

ACG Molusi

Independent non-executive Chairman

27 November 2017

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 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 2017.

These results are unaudited.

Michelle Mynhardt CA(SA)

Financial director

INTERIM RESULTS

For the six months ended 30 September 2017

