COMMENTARY

Review of the year

The year under review was challenging on many fronts but saw our companies overcome these difficult trading conditions and maintain the growth achieved in the previous financial year with a 5% increase in revenue to R216,7 million (March 2012: R206,1 million). Comprehensive income increased by 2% to R41,6 million (March 2012: R40,7 million).

The comprehensive income attributable to equity holders of the parent amounted to R37,9 million (March 2012: R36,4 million) with earnings per share of 463,8 cents (March 2012: 428,8 cents). Headline earnings per share were 463,9 cents (March 2012: 428,9 cents).

After paying tax of R18,8 million (March 2012: R15,5 million), the group generated R44,6 million (March 2012: R41,3 million) in cash from its operating activities during the year. The group invested R7 million in acquiring a site in Bloemfontein earmarked to be the new home of the Central Media Group and spent R2,8 million (March 2012: R7,7 million) on capital expenditure. The group ended the period with cash resources of R78,8 million (March 2012: R57,1 million).

Operations

The diversification and expansion programmes of our radio platforms into other local media brands continue to provide positive synergies and have started to contribute to the bottom line of the group.

Listenership on Algoa FM remained stable during the year under review. New media revenue grew significantly on the station. Sport Elizabeth showed an increase, turning from a loss to a marginal profit. During continued tough trading conditions, effective cost-cutting measures assisted in increasing profitability over the previous year. Continued marketing and listenership-building promotions are entrenching the brand in the Southern Cape. ICASA invited applications for a new commercial radio licence in the Umtata and Butterworth. The proposed coverage area falls outside of the Algoa FM footprint.

The period under review reflected the ongoing difficult trading conditions for the Central South Africa region. Central Media Group saw a recovery in the second half of the year that meant OFM closed the year above mid-year expectations in terms of profitability. An expanded local sales force also grew revenue from the region. OFM audiences saw a dip in the latter half of the year, and although losses were in non-core markets, measures have been taken to reverse this trend.

Invitations were issued for two frequencies in Bloemfontein, one in Kimberley and one in Upington. While these will invariably bring some degree of competition, these new entrants are unlikely to be licensed into OFM's ambit, in terms of format.

Digital advertising revenue continues to grow in importance for the group. Digital Platforms, the group's web development division, secured significant new business and also assisted with the group cost-saving drive by implementing in-house IT and CRM systems. Mahareng gained critical mass with the momentum obtained from a fast-growing Bloemfontein Courant, and obtained sustainable profitability. RedStar Talent repositioned into the primarily event-management sector in this period, and the results were almost immediate.

RadioHeads underwent a strategic shift in April 2012, with a strong focus on delivering sponsored content to radio stations and advertisers. This business has performed below expectation, with the revised strategy implemented taking longer to produce results. Management has been able to show positive uptake towards the end of year one, and greater promise in year two.

Specialist media sales house United Stations achieved strong revenue growth and exceeded budgeted profit for the year, mainly as a result of benefits coming through from substantial investments made in new business. These factors, combined with an aggressive brand-specific sales strategy, protected the business from an industry-wide pattern of static advertising budgets.

With strong, positive cash flow and its highly sought-after portfolio, United Stations is well-placed to take advantage of recovering markets and good growth is foreseen especially in the non-traditional revenue channels.

Declaration of final dividend no 3

The board has declared a final dividend (dividend no 3) of 200 cents per ordinary share (gross) for the year ended 31 March 2013. 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 8 288 309 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, 19 July 2013.
Shares will trade ex-dividend from Monday, 22 July 2013.

The record date will be Friday, 26 July 2013 and payment will be made on Monday, 29 July 2013.

Share certificates may not be dematerialised/rematerialised between Monday, 22 July 2013 and Friday, 26 July 2013, both days inclusive.

Dividends

An interim dividend (dividend no 2) of 100 cents per ordinary share (gross) was declared for the period ended 30 September 2012. The final dividend is 200 cents per ordinary share (gross) (2012: Nil per share).

Prospects

The new financial year has started on a reasonably positive note and the board is optimistic that the revenue for the 2014 year will compare favourably with that of the prior year.

ACG Molusi
Independent Non-executive Chairman

14 June 2013
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, the Listings Requirements of the Johannesburg Stock Exchange and the SAICA Financial Reporting Guides 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 2013.

These results have been reviewed by PKF (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
Share code: AME ISIN: ZAE000055802
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ACG Molusi *(Chairman)**
KL Dube*, MJ Prinsloo*, N Sooka*
W Tshuma*, AJ Davies, M Mynhardt
**Independent Non-executive*

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REVIEWED RESULTS

for the year ended 31 March 2013

AFRICAN MEDIA ENTERTAINMENT

CONSOLIDATED PROVISIONAL STATEMENTS OF COMPREHENSIVE INCOME

	% change	Reviewed year ended 31 March 2013 R'000	Audited year ended 31 March 2012 R'000
Revenue	5	**216 688**	206 075
Cost of sales	4	**(56 065)**	(54 068)
Gross profit		**160 623**	152 007
Operating expenses		**(107 249)**	(102 020)
Operating profit	7	**53 374**	49 987
Investment income		**1 930**	1 241
Finance income		**3 070**	2 942
Finance cost		**(73)**	(73)
Losses attributable to associates		**(27)**	(201)
Net profit before taxation	8	**58 274**	53 896
Taxation		**(16 670)**	(13 173)
SA normal taxation		**(17 910)**	(15 766)
Deferred taxation		**1 240**	2 593
Total comprehensive income for the year	2	**41 604**	40 723
Total comprehensive income attributable to:			
Non-controlling interest holders		**3 710**	4 324
Equity holders of the parent	4	**37 894**	36 399
Earnings per share (cents)	8	**463,8**	428,9
Headline earnings per share (cents)	8	**463,9**	428,9
Dividends per share (cents)		**300**	–
Weighted average number of shares in issue ('000)		**8 171**	8 488
Diluted average number of shares in issue ('000)		**8 171**	8 488
Headline earnings reconciliation:			
Profit attributable to equity holders		**37 894**	36 399
Loss on disposal of fixed assets		**9**	3
Tax on loss on disposal of asset		**(3)**	(1)
Headline earnings		**37 900**	36 401

CONSOLIDATED PROVISIONAL STATEMENTS OF FINANCIAL POSITION

	Reviewed year ended 31 March 2013 R'000	Audited year ended 31 March 2012 R'000
Assets		
Non-current assets	**95 314**	89 028
Property, plant and equipment	**34 881**	29 130
Investments	**12 178**	12 883
Goodwill	**39 780**	39 780
Deferred taxation	**8 475**	7 235
Current assets	**146 552**	116 320
Trade receivables	**64 230**	56 563
Other receivables	**2 454**	2 121
Dividends receivable	**950**	500
Tax paid in advance	**134**	26
Cash and cash equivalents	**78 784**	57 110
Total assets	**241 866**	205 348
Equity and liabilities		
Total equity	**161 007**	134 091
Non-current liabilities	**41**	315
Operating lease accrual	**–**	200
Interest-bearing borrowings	**41**	115
Current liabilities	**80 818**	70 942
Trade payables	**37 215**	33 531
Other payables	**41 828**	34 738
Dividend payable	**915**	777
Operating lease accrual and interest-bearing borrowings	**136**	375
Taxation	**724**	1 521
Total equity and liabilities	**241 866**	205 348

CONSOLIDATED PROVISIONAL STATEMENTS OF CHANGES IN EQUITY

	Reviewed year ended 31 March 2013 R'000	Audited year ended 31 March 2012 R'000
Issued capital		
Balance at beginning of year	**8 171**	8 539
Shares repurchased	**–**	(368)
Balance at end of year	**8 171**	8 171
Share premium		
Balance at beginning of year	**13 742**	31 909
Shares repurchased	**–**	(18 167)
Balance at end of year	**13 742**	13 742
Retained profit		
Balance at beginning of year	**105 030**	70 237
Change in shareholding	**–**	(1 606)
Total comprehensive income for year	**37 894**	36 399
Dividend	**(8 261)**	–
Balance at end of year	**134 663**	105 030
Non-distributable reserve		
Balance at beginning of year	**–**	2 073
Fair value adjustment on available for sale financial assets	**–**	(2 073)
Balance at end of year	**–**	–
Non-controlling interests		
Balance at beginning of year	**7 148**	1 218
Share of dividend	**(6 427)**	–
Change in shareholding	**–**	1 606
Share of total comprehensive income for year	**3 710**	4 324
Balance at end of year	**4 431**	7 148
Total capital and reserves	**161 007**	134 091

CONSOLIDATED PROVISIONAL STATEMENTS OF CASH FLOWS

	Reviewed year ended 31 March 2013 R'000	Audited year ended 31 March 2012 R'000
Cash generated by operating activities	**57 707**	52 807
Net interest received	**2 997**	2 869
Taxation paid	**(18 815)**	(15 483)
Decrease in working capital	**2 690**	1 080
Cash flows from operating activities	**44 579**	41 273
Cash flows from investing activities	**(8 356)**	(30 744)
Cash flows from financing activities	**(14 549)**	–
Net increase in cash and cash equivalents	**21 674**	10 529
Cash and cash equivalents at beginning of year	**57 110**	46 581
Cash and cash equivalents at end of year	**78 784**	57 110

PROVISIONAL SEGMENTAL REPORTING

	Reviewed year ended 31 March 2013 R'000	Audited year ended 31 March 2012 R'000
Revenue		
Radio Broadcasting	**187 551**	178 682
Sales houses	**29 137**	27 393
Total	**216 688**	206 075
Profitability		
Radio Broadcasting	**43 787**	39 348
Sales houses	**15 749**	10 941
Company	**(6 162)**	(302)
Total operating profit	**53 374**	49 987
Unallocated/eliminated corporate net expense and inter-company consolidation	**(27)**	(201)
Investment income	**1 930**	1 241
Interest received	**3 070**	2 942
Interest paid	**(73)**	(73)
Taxation	**(16 670)**	(13 173)
Total comprehensive income for year	**41 604**	40 723
Assets		
Radio Broadcasting	**62 665**	55 445
Sales houses	**54 041**	49 543
Company	**46 376**	43 250
Total	**163 082**	148 238
Liabilities		
Radio Broadcasting	**32 494**	29 670
Sales houses	**42 193**	35 871
Company	**6 172**	5 716
Total	**80 859**	71 257
Capital expenditure		
Radio Broadcasting	**9 491**	3 023
Sales houses	**327**	608
Company	**15**	4 091
Total	**9 833**	7 722
Depreciation		
Radio Broadcasting	**3 018**	2 927
Sales houses	**990**	975
Company	**66**	66
Total	**4 074**	3 968