CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

	% change	Reviewed year ended 31 March 2019 R'000	Audited year ended 31 March 2018 R'000
Revenue	4%	**273 610**	262 534
Cost of sales	(27%)	**(57 400)**	(78 986)
Gross profit		**216 210**	183 548
Operating expenses		**(155 237)**	(124 077)
Operating profit		**60 973**	59 471
Investment income		**3 519**	2 480
Finance income		**5 409**	7 763
Finance cost		**(70)**	(81)
Equity accounted earnings from associates		**833**	448
Net profit before capital items		**70 664**	70 081
Impairment of goodwill and trademark		**(34 790)**	–
Net profit before taxation	(49%)	**35 874**	70 081
Taxation		**(24 326)**	(19 354)
SA normal taxation		**(20 523)**	(19 060)
Deferred taxation		**(3 803)**	(294)
Profit for the year	(77%)	**11 548**	50 727
Other comprehensive income:			
Items that will be reclassified subsequently to profit and loss			
Financial asset measured at fair value through other comprehensive income		**4 656**	3 958
Fair value adjustment		**6 000**	5 100
Deferred tax relating to fair value adjustment		**(1 344)**	(1 142)
Total comprehensive income for the year		**16 204**	54 685
Profit attributable to:			
Non-controlling interest holders		**(10 907)**	7 005
Equity holders of the parent		**22 455**	43 722
Total profit for the year		**11 548**	50 727
Total comprehensive income attributable to:			
Non-controlling interest holders		**(10 907)**	7 005
Equity holders of the parent		**27 111**	47 680
Total comprehensive income for the year		**16 204**	54 685
Earnings per share (cents)	(48.1%)	**280.8**	541.4
Headline earnings per share (cents)	0.5%	**544.1**	541.5
Dividends per share (cents)		**230**	300
Weighted average number of shares in issue (000's)		**7 996**	8 076
Headline earnings reconciliation			
Profit attributable to equity holders		**22 455**	43 722
		21 052	8
Impairment of Classic trademark		**11 465**	–
Impairment of Classic goodwill		**9 790**	–
Profit on disposal of fixed assets		**(282)**	11
Tax on disposal of assets		**79**	(3)
Headline earnings		**43 507**	43 730

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

TRANSFER SECRETARIES

Computershare Investor Services (Pty) Ltd
Registration number 2004/003647/07
Rosebank Towers, 15 Biermann Avenue, Rosebank
PO Box 61051 Marshalltown, 2107
Telephone: +27 11 370 5000
Telefax: +27 11 688 5238

SPONSOR

Arbor Capital Sponsors (Pty) Ltd
Registration number 2006/0033725/07
20 Stirrup Lane
Woodmead Office Park
Corner Woodmead Drive and
Van Reenens Avenue
Woodmead, 2191
Suite #439, Private Bag X29
Gallo Manor, 2052

DIRECTORS

ACG Molusi *(Independent Non-executive Chairman)*
J Edwards *(Independent Non-executive)*
MJ Prinsloo *(Independent Non-executive)*
N Sooka *(Independent Non-executive)*
KW Thipe *(Independent Non-executive)*
AJ Isbister *(Finance Executive)*
DM Tiltmann *(Chief executive)*

COMPANY SECRETARY

C Roberts CA(SA)

AUDITORS

BDO South Africa Incorporated

CONSOLIDATED CONDENSED STATEMENTS OF FINANCIAL POSITION

	Reviewed 31 March 2019 R'000	Audited 31 March 2018 R'000
Assets		
Non-current assets	**179 126**	196 836
Property, plant and equipment	**87 762**	72 371
Goodwill	**48 471**	58 262
Other intangible assets	**2 000**	27 000
Investments in associated companies	**4 804**	4 582
Other financial instruments	**26 327**	21 081
Deferred taxation	**9 762**	13 540
Current assets	**137 087**	151 713
Trade receivables	**50 361**	48 275
Other receivables	**5 190**	8 848
Tax paid in advance	**1 155**	45
Cash and cash equivalents	**80 381**	94 545
Total assets	**316 213**	348 549
Equity and liabilities		
Total equity	**246 201**	261 882
Non-current liabilities	**1 915**	544
Deferred tax liability	**1 915**	544
Current liabilities	**68 097**	86 123
Trade payables	**18 068**	14 684
Other payables	**48 024**	68 742
Dividend payable	**1 891**	1 736
Taxation	**114**	961
Total equity and liabilities	**316 213**	348 549

CONSOLIDATED CONDENSED STATEMENTS OF CHANGES IN EQUITY

	Reviewed year ended 31 March 2019 R'000	Audited year ended 31 March 2018 R'000
Issued capital		
Balance at beginning of year	**8 012**	**7 965**
New shares issued	–	**277**
Shares repurchased and cancelled	**(79)**	**(230)**
Balance at end of year	**7 933**	**8 012**
Share premium		
Balance at beginning of year	**3 846**	–
New shares issued	–	**14 736**
Shares repurchased and cancelled	–	**(10 890)**
Balance at end of year	**3 846**	**3 846**
Retained profit		
Balance at beginning of year	**229 465**	**218 678**
Total profit for the year	**22 455**	**43 722**
Change in shareholding	–	**(4 130)**
Dividend declared	**(22 483)**	**(28 097)**
Shares repurchased and cancelled	**(2 968)**	**(708)**
Balance at end of year	**226 469**	**229 465**
Non-distributable reserve		
Balance at beginning of year	**3 958**	–
Other comprehensive income	**4 656**	**3 958**
Balance at end of year	**8 614**	**3 958**
Non-controlling interests		
Balance at beginning of year	**16 601**	**4 222**
Preference shares held by non-controlling interest holder	–	**10 178**
Change in shareholding	–	**4 130**
Acquisition of NCI due to business combination	–	**(3 294)**
Share of total comprehensive income for the year	**(10 907)**	**7 005**
Share of dividend	**(6 355)**	**(5 640)**
Balance at end of year	**(661)**	**16 601**
Total capital and reserves	**246 201**	**261 882**

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CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS

	Reviewed year ended 31 March 2019 R'000	Audited year ended 31 March 2018 R'000
Cash generated by operating activities	**70 826**	63 391
Net interest received	**5 339**	7 682
Taxation paid	**(22 480)**	(20 240)
Increase in working capital	**(13 769)**	(19 986)
– Increase/(decrease) in trade and other receivables	**1 573**	(2 367)
– (Decrease)/increase in trade and other payables	**(15 342)**	(17 619)
Cash flows from operating activities	**39 916**	30 847
Cash flows from investing activities	**(22 350)**	(8 116)
– increase in investments and loans	**(4 630)**	(5 637)
– acquisition of business combination	–	(1 273)
– purchase of property, plant and equipment	**(21 768)**	(3 712)
– other	**529**	26
– dividends received	**3 519**	2 480
Cash flows from financing activities	**(31 730)**	(47 353)
– dividends paid to equity holders	**(22 780)**	(28 003)
– dividends paid to non-controlling interest holder	**(5 903)**	(5 640)
– share issue cost	–	(1 882)
– repurchase of shares	**(3 047)**	(11 828)
Net decrease in cash and cash equivalents	**(14 164)**	(24 622)
Cash and cash equivalents at beginning of year	**94 545**	119 167
Cash and cash equivalents at end of year	**80 381**	94 545

SEGMENTAL REPORTING

	Reviewed year ended 31 March 2019 R'000	Audited year ended 31 March 2018 R'000
Revenue		
Radio Broadcasting	**213 702**	210 831
Media services	**59 908**	51 472
Corporate	–	231
Total	**273 610**	262 534
Profitability		
Radio Broadcasting	**68 537**	60 471
Media services	**(6 914)**	(3 412)
Corporate	**(650)**	2 412
Total operating profit	**60 973**	59 471
Profit from associates	**833**	448
Investment income	**3 519**	2 480
Interest received	**5 409**	7 763
Interest paid	**(70)**	(81)
Impairment of goodwill and trademark	**(34 790)**	–
Taxation	**(24 326)**	(19 354)
Total profit for the year	**11 548**	50 727
Assets *(excluding cash)*		
Radio Broadcasting	**48 705**	108 408
Media services	**65 255**	67 220
Corporate	**121 872**	78 376
Total	**235 832**	254 004
Liabilities		
Radio Broadcasting	**26 812**	53 469
Media services	**32 960**	23 689
Corporate	**10 240**	9 509
Total	**70 012**	86 667
Capital expenditure		
Radio Broadcasting	**5 807**	3 210
Media services	**924**	197
Corporate	**15 037**	305
Total	**21 768**	3 712
Depreciation		
Radio Broadcasting	**5 332**	5 842
Media services	**524**	465
Corporate	**274**	303
Total	**6 130**	6 610

CHAIRMAN'S REVIEW

Group revenue was up by 4% to R273.6 million (2018: R262.5 million) which reflects the tough trading conditions prevailing during the year. The 49% decline in profit attributable to equity holders of the parent from R43.7 million to R22.5 million and 48% decline in earnings per share from 541.4 cents to 280.8 cents are mainly as a result of:

- the losses of Classic 1027 and Moneyweb for the first time being recognised for a full year and those losses not being offset against taxable income, resulting in a much higher tax rate for the group; and
- the impairment of the Classic 1027 goodwill and trademark.

The decline in profit was mitigated by the reduction in cost of sales due to the reversal of prior year liabilities resulting from the final settlement of certain industry specific levies in respect of the Algoa FM and OFM radio licences.

The 0.5% decline in headline earnings from R43.7 million to R43.5 million and 0.5% increase in headline earnings per share from 541.5 cents to 544.1 cents ignores the impairment of the Classic 1027 goodwill and trademark. If cost of sales was not reduced by the reversal of prior year liabilities resulting from the final settlement of the industry specific liabilities, headline earnings and headline earnings per share would have declined by 28% from R43.7 million to R31.6 million and by 27% from 541.5 cents to 395.1 cents respectively.

The group generated R39,9 million (2018: R30,8 million) in cash from its operating activities during the year after paying tax of R22,5 million (2018: R20,2 million). The group spent R21,8 million (2018: R3,7 million) on capital expenditure and paid R3 million (2018: R11,8 million) to repurchase 78 900 (2018: 230 700) of its own shares. During the year the company paid out dividends of R22,8 million (2018: R28 million) to shareholders of the company and ended the year with cash resources of R80,4 million (2018: R94,5 million).

OPERATIONS

Low business confidence and continuing losses of Classic 1027 and Moneyweb resulted in another demanding year that placed further strain on our resources. Innovation and tight cost control remain imperatives. The appointment of a Group CEO in December 2018 will prioritise a focus on group synergies.

Algoa FM had another great year despite market conditions. Revenues showed reasonable year-on-year growth and cost-saving resulted in increased profitability. The Big Walk for CANSA attracted record sponsorship and entries. In addition, the 2018 Radio Station of the year award also enabled the growth of digital revenues. Dave Tiltmann was appointed Group CEO of AME and Algoa FM's operations director, Alfred Jay, has taken over as managing director of Algoa FM, effective 1 April 2019. The station's commercial broadcasting license was renewed for another 10 years.

Central Media Group ("CMG") had a challenging year with varied results across the four business units. The OFM direct radio sales team delivered revenues above the previous year under challenging conditions, with national radio sales performing below expectation. Digital Platforms performed well and continues to deliver value to CMG. Mahareng had a difficult start to the year, but the second half of the year saw revenues and profits above expectation. CMG invested in online streamed video services that will add value to client needs and deliver revenues to the group. CMG is the leading multi-platform advertising solutions company in Central South Africa and is positioned as the first choice media sales organisation. A further highlight was the renewal of OFM's broadcasting licence for another 10 years.

Radioheads relaunched their corporate identity as **Media Heads 360** in February this year. The rejuvenation of the brand into a specialised media agency, allowed for the introduction of new revenue streams for the business. Business was stable over the year although profitability declined. Attaining Level 1 BEE status has increased opportunities in the market. Moving into the new year, Media Heads 360's holistic solution-focused proposition is expected to be more attractive to clients. A substantial marketing campaign has backed the relaunch of the business and firmly entrenched them as a player in the non-traditional media space.

In an environment of increased competition and growth in new advertising opportunities, **United Stations** delivered a gratifying performance across its much enhanced portfolio of radio, digital, events, video and online audio. Tight trading conditions which persisted throughout the year resulted in a high level of innovation in seeking revenue and closer collaboration with its platforms. This has placed United Stations in a strong position to provide advertisers with additional innovative ways to access their audiences.

The restructuring of **Classic 1027** has resulted in a more cost-efficient operation, with strong focus being placed on the programming and marketing of the radio station. This repositioning into a premium, targeted, uncluttered and engaged brand is expected to create the springboard for growth. Classic 1027 suffered substantial losses during the year, but we remain confident that we shall be able to turn it around in the medium to long term. The Classic 1027 licence is in the process of renewal.

Moneyweb experienced a challenging year. However, towards the end of the year Moneyweb concluded a new mutually beneficial arrangement, which now enables the selling of advertising on two business shows across national radio stations. Moneyweb's digital platforms performed excellently and continued to build on its large audience base. Several new services aimed at financial advisors were rolled out and the response has been promising.

DIVIDENDS

An interim dividend (dividend no. 14) of 80 cents per ordinary share (gross) was declared for the period ended 30 September 2018 (September 2017: 100 cents gross) and paid on 14 January 2019. A final dividend (dividend no. 15) for the year ended 31 March 2019 of 150 cents per ordinary share (gross) (2018: 200 cents per share gross) is proposed.

DECLARATION OF FINAL DIVIDEND NO. 15

The board declared a final dividend (dividend no. 15) of 150.00 cents per ordinary share (gross) for the year ended 31 March 2019. 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 Dividend Withholding Tax rate is 20%;
- the gross dividend amount is 150.00 cents per ordinary share for shareholders exempt from DWT;
- the net dividend amount is 120.00 cents per ordinary share for shareholders liable for DWT;
- the company has 8 022 034 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 Tuesday, 9 July 2019.

Shares will trade *ex*-dividend from Wednesday, 10 July 2019.

The record date will be Friday, 12 July 2019 and payment will be made on Monday, 15 July 2019.

Share certificates may not be dematerialised/rematerialised between Wednesday, 10 July 2019 and Friday, 12 July 2019, both days inclusive.

PROSPECTS

The board expects the trading conditions for the 2020 financial year to remain challenging while focusing on the turnaround of Classic 1027 and Moneyweb.

ACG Molusi
Independent Non-executive Chairman

29 May 2019

The board of directors is responsible for the preparation of the provisional consolidated financial statements in accordance with the requirements of the JSE Listings Requirements for preliminary reports and the requirements of the Companies Act of South Africa as applicable to summarised financial statements, and for such internal controls as the directors deem necessary to ensure that the provisional consolidated financial statements are free from material misstatement due to fraud or error.

Angela Isbister CA(SA)
Financial director (acting)

These results have been reviewed by BDO South Africa Inc and their unmodified review report is available for inspection at the company's registered office.

The auditor's reviewed report does not necessarily report on all of the information contained in these financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's review report with the accompanying financial information from the issuers' registered office.

SUMMARISED NOTES TO THE PROVISIONAL FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

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 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 except for the adoption of IFRS 15 and IFRS 9 in the current year. The adoption was made in accordance with the transitional provisions of IFRS 9 and IFRS 15 in terms of which comparative results do not need to be restated. The adoption had no material impact on the results.

2. RELATED PARTY TRANSACTIONS

There have been no significant changes in related party relationships since the previous year.

Other than in the normal course of business, there have been no other transactions during the year with related parties.

3. OTHER FINANCIAL INSTRUMENTS

	GROUP	
	2019	2018
	R'000	R'000
Level 1	-	29
Level 2	-	725
Level 3	**26 327**	20 327
	26 327	21 081

Level 3 fair value determined by valuation that uses inputs that are not based on observable market data.

Investments are valued based on discounted cash flow models. Should the variables differ by 1% the value of the investments will decrease between 6% and 16%. The discount rates used vary between 17.62% and 19.68%.

4. SIGNIFICANT TRANSACTIONS AND EVENTS DURING THE PERIOD

The Group is required to test, on an annual basis, whether the indefinite useful life intangible assets have suffered any impairment. The recoverable amount is determined based on a discounted cash flow model.

In the current financial year, the Classic 1027 goodwill was impaired by R9.8 million and the trademark was impaired by R25 million as a result of revised revenue and growth rate assumptions. The reason for this being the turnaround of Classic 1027 taking longer than anticipated and losses being incurred in the current year which were not expected when initial forecasts were made at the end of the prior year.

The present value of the expected cash flows was determined by applying an appropriate discount rate based on the current market assessments of the time value of money and risks specific to Classic 1027. This has declined in the current year mainly due to the downward revision of revenue forecasts.

5. EVENTS AFTER THE REPORTING PERIOD

To the best of the directors' knowledge, there have been no material events after the reporting period up to the date of signature of this report that will materially affect the ability of the user to make proper financial investment decisions.

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REVIEW

For the year ended 31 March 2019

AFRICAN MEDIA ENTERTAINMENT