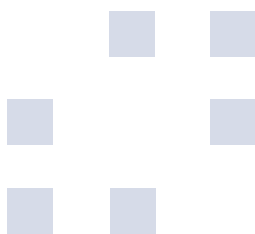
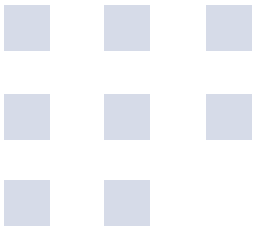


# ABRIDGED ANNUAL REPORT 2013





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A complete set of the Annual Report is available on the website of African Media Entertainment Limited at [www.ame.co.za](http://www.ame.co.za)

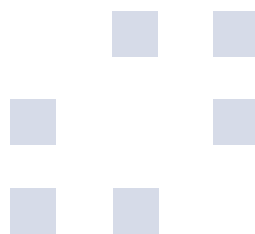
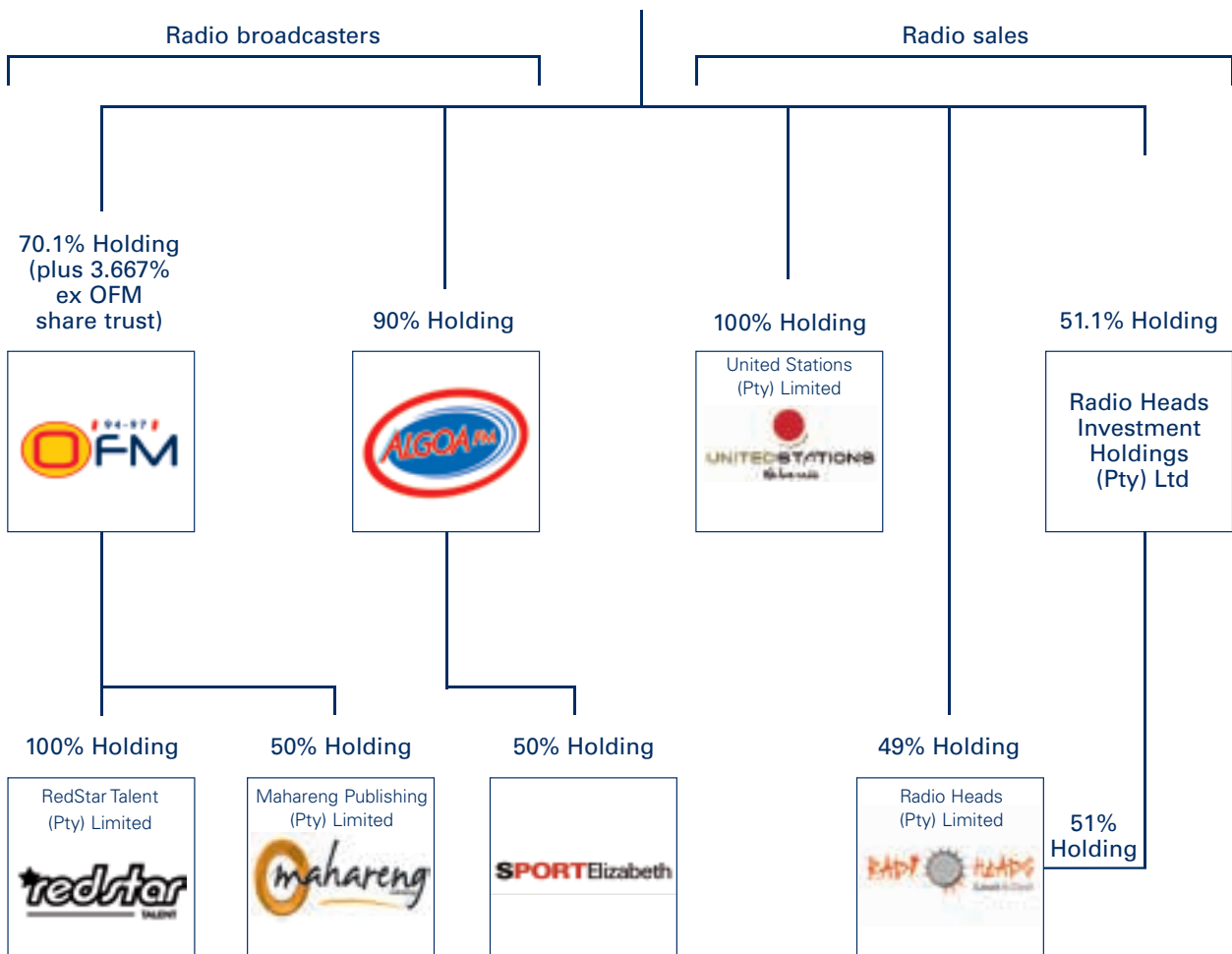


# GROUP STRUCTURE

African Media Entertainment Limited ("AME") is a broadcast company listed in the "Media & Entertainment" sector of the Johannesburg Stock Exchange ("JSE")



(Incorporated in the Republic of South Africa)  
 (Registration number 1926/008797/06)  
 (Share Code: AME)  
 (ISIN: ZAE 000055802)



# DIRECTORATE AND EXECUTIVE

## BOARD OF DIRECTORS

**ACG ("Connie") Molusi (51)**  
*Independent Non-executive Chairman*  
BJournalism, MA  
Appointed 18 March 2004

Connie has been involved with the media industry for many years and holds a number of directorships.

**Lawrence K Dube (51)**  
*Independent Non-executive Director*  
Certificate of Management Advanced Programme (MAP) at Wits Business School  
Appointed 1 August 2011

Lawrence is a businessman and has spent the last 26 years in the broadcasting and media industries in various positions, including as CEO of the Music Union of South Africa (MUSA) and as director of Real Productions, a company that produces features for TV shows. During his career he has interviewed the likes of Bishop Tutu and Walter Sisulu. In 1997 he was a founding member of KAYA FM.

**Marthinus J Prinsloo (58)**  
*Independent Non-executive Director*  
BCom (Law), CA (SA)  
Appointed 13 November 2003

Inus has spent many years in the merchant banking industry and now runs his own practice as a corporate financial advisor.

**Wilfred Tshuma (44)**  
*Independent Non-executive Director*  
BCom (Hons)  
Appointed 7 July 2004

Wilfred has held internal audit and financial positions with a number of banks. He now runs his own businesses in property, aviation and asset management.

**Navin Sooka (60)**  
*Independent Non-executive Director*  
BComm, BCompt (Hons), CA (SA)  
Appointed 26 September 2008

Navin has extensive experience in financial positions in the manufacturing industry and within the corporate environment.

**Michelle Mynhardt (40)**  
*Executive Financial Director*  
BCompt (Hons), CA (SA)  
Appointed 1 June 2010

Michelle joined the group in April 2009 to head up the Finance Department in Johannesburg. She completed her articles at PricewaterhouseCoopers and later joined KPMG's International Advisory Services department. She has experience in financial positions in security, market research and investment industries.

**Angela Jane Davies (33)**  
*Executive Director*  
PGDA (UCT), CA (SA)  
Appointed 1 September 2010

Angela joined the group in April 2010. She completed her articles at Deloitte & Touche and worked for them in Johannesburg and San Francisco before moving to the UK where she worked in transactional services and as a financial analyst for a number of large organisations including the National Health Services.

## EXECUTIVE MANAGEMENT

The group is managed by the senior executives of its major subsidiaries:

**Rivak Bunce (51)**  
*United Stations*

Rivak has a strong background in training, having run his own training franchise for several years. He joined Radio 702 in 1987, rising to the position of Sales Manager. He subsequently worked for Primedia group as group sales director until co-founding United Stations in March 2000. He joined the AME group when that company was acquired in November 2002.

**David Tiltmann (48)**  
*Umoya Communications – Algoa FM*  
BCom (Industrial Psychology Business Economics)

David obtained his BCom from UPE in 1986. He began working for Algoa FM as a freelance announcer in 1989 and has held positions as Music Manager, Programme Manager and Operations Manager since then. He was appointed Managing Director of the station in February 2000. David worked as Broadcast Liaison Officer (BLO) for the Host Broadcast Services at the 2010 FIFA World Cup, where he was the only South African BLO out of a total of 120.

**Gary Stroebel (39)**  
*Central Media Group – OFM*  
BA (Communication), MBA (UFS)

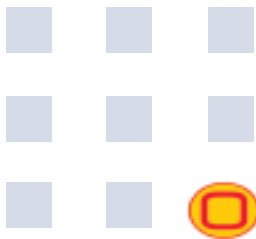
Gary joined OFM in 1996 as a presenter, and has worked as Programme Manager as well as Sales and Marketing Director. In March 2008 he was appointed CEO of the station. Gary obtained his MBA in April 2010.

## COMPANY SECRETARY

**Valerie-Joan Slabbert (39)**  
BCompt (Hons), CA (SA), MBA (Wits), CIMA  
Appointed 31 March 2012

Valerie started her articles at Deloitte & Touche and completed them on the TOPP program with Vodacom. She held financial positions in the telecommunications, manufacturing, FMCG and logistics industries before joining the group as company secretary.





the sound of your life

**BAKKIE DAG MUSIEKFEES**

The annual Bakkie Dag Musiekfees is where thousands of people from the areas around Bothaville, Welkom and Klerksdorp come together to celebrate the Bakkie lifestyle and be part of a fun-filled family day. The event features over 50 exhibitors and spectators are entertained with performances by Bobby van Jaarsveld, Pieter Koen and Jay.



**VRYFEES**

RedStar Talent is central South Africa's premier event Management Company. During July 2012 the company presented its first showcase music event at the annual Vryfees arts festival, hosted by the Free State University.



**BLOEMFONTEIN COURANT**

During the exciting launch of the Bloemfontein Courant, the team literally travelled through Central South Africa with the biggest newspaper measuring 10m's by 3m's. This phenomenon was cause for some great photo opportunities by readers and onlookers alike. The Bloemfontein Courant also became couture when OFM and Bloemfontein Courant partnered in a competition encouraging prospective matric farewell dressmakers to come up with a unique dress style and design that could be given away on OFM.

**CAROLS**

Annually Carols by Candlelight presented in Bloemfontein and Potchefstroom by OFM and SPAR. The event is extremely well supported by listeners across the two cities. Entry is free but we do encourage the OFM audience to bring a toy to the event, which is then distributed by Rotary and Child and Family welfare to children's homes across Central South Africa to bring some Christmas cheer. This year the performers included Kurt Darren, Zwai Bala, Nianell, Romanz and John van Huyssteen.

During this year's Carols by Candlelight event Breakfast Special presenter Andre Kunz made good on a bet that he would dance in a dress before the big show started. He did so in style (well maybe not) in front of the enthusiastic crowd in Bloemfontein.

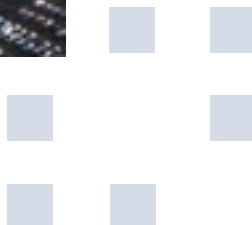


**AARDKLOP**

OFM has been a long-standing proud partner of Aardklop, the second largest Afrikaans art and culture festival in South Africa. Annually OFM dedicates over 15 hours of live broadcast from the hub of the festival while also presenting a specialist Aardklop Radio show from our studios in Potchefstroom.

**NAMPO**

Grain SA's Nampo Harvest Day, the world's second largest agricultural exhibition, enables agricultural producers to see everything that has an impact on farming and at the same time serves as a display window for agriculture, a discussion forum and a network opportunity for role players in agriculture in Southern Africa.



### WINTER WARM UP

Winter Warm Up – OFM and partners presented their 6th annual Winter Warm Up campaign recently. The Winter Warm Up campaign is a call to listeners to donate blankets to assist those in need at the coldest time of the year. The Breakfast Special on OFM – Anna Visser and Andre Kunz braved the below-zero cold on Friday 15 June and broadcast the Breakfast Special show from 'bed' while being towed through the streets of Bloemfontein on a trailer. Over 15 000 blankets were collected, and will be donated to children's homes, charities and old age homes across Central South Africa.



### CHECKERS KO'S KUIERFEES

RedStar Talent is responsible to event manage the annual Checkers Ko's Kuierfees. The event is a showcase of good food and fine wines and has grown from strength to strength the past few years under the watchful eye of RedStar Talent.



### CHILDWELFARE

The 10th annual Shoprite Checkers Chip 4 Charity golf event is organised in aid of Childwelfare and is presented in Bloemfontein and Kimberley. This year OFM managed to raise R160 000 for Childwelfare.



### CHEETAHS

As central South Africa's number one radio station we are the number one supporter of Cheetahs Rugby. OFM proudly supports the team with outside broadcasts, encouraging people to come along to the game and interacting with fans on the way on. Go Cheetahs!!!

### CARLING BLACK LABEL CHALLENGE

RedStar Talent event managed the Carling Black Label Challenge for SAB that took place across Central South Africa. The event featured taste tests of the product, prize give-aways and an all-night party, and demonstrated RedStar's ability to activate in multiple venues simultaneously.



### CLARENS

Clarens, the village everyone loves, turned 100 years old. It celebrated its centenary with a week-long programme of fun activities and programmes which OFM broadcasted to the rest of Central South Africa.

### MALOOF MONEY CUP

OFM has the privilege of being the official radio and media partner of The Maloof Money Cup. This is the only skate boarding event of its kind in Africa, with the richest prize money on offer. Contestants from around the world travel to Kimberley to pit their skills against each other.



### MTN OFM CLASSIC

The MTN OFM Classic is central South Africa's biggest and richest cycle race. The event is in its 11th year and keeps increasing its participation year on year. The kiddie's event is very popular, not only for the kids that ride, but for the families that come to support. The mountain bike event has grown substantially with an increase of over 30% in participants since inception. The road race is a feature on the Bloemfontein cycling calendar and the town comes to a standstill with thousands of supporters lining the route encouraging the riders as they come past. OFM provides entertainment with dancers and mascots at the start of the race.







your music, your world

**WINE SHOW**

Algoa FM presents the esteemed annual wine show to the broader Port Elizabeth community, celebrating good music and wine and sampling products from a variety of SA's finest wineries.



**FESTIVAL SEASON**

Algoa FM is fortunate enough to broadcast in both the Eastern and Southern Cape which is home to many of the flagship beaches in South Africa, creating an ideal opportunity for great summer season festive fun. In addition to this, Algoa FM covers many of South Africa's renowned lifestyle, agricultural and arts events such as National Arts Festival, Knysna Oyster Festival, the Biltong Festival, Absa Kirkwood Wildseeds and the George Agricultural Show.



**ALGOA FM WINTER WOOLLY WEEK**

The winter woolly week drive transcends more often into woolly winter month during June as Algoa FM presenters and staff push the boundaries and call on their listeners for all their donations of warm clothes, blankets and cash donations to support the needy and cold in the station's broadcast area.



**ANNUAL ALGOA FM CHARITY GOLF DAY**

This charity golf day is unrivalled in the region with loyal corporate participation; allowing superb network opportunities and the ability to donate big proceeds to varying registered charities.



**MTN RADIO AWARDS: DARON MANN AND WAYNE HART**

Algoa FM showcases award winners, Daron Mann and Wayne Hart, winning Best Breakfast Presenter and Best Music Show for the Algoa FM Top 30 in commercial radio at the MTN Radio Awards.

**CONCERT IN THE PARK**

Algoa FM is the proud media sponsor to the annual Concert in the Park by Eastern Cape Philharmonic Orchestra, a musical extravaganza supported by a leading national musician and enjoyed picnic style in the comfort and the company of close family and friends.







**DISCOVERY ALGOA FM BIG WALK**

Algoa FM hosts this walk in partnership with Discovery on the last Saturday in October each year. Last year close to 6 000 people transcended on the beaches of this friendly city to walk in memory of loved ones passed on or in support of individuals affected by cancer. All proceeds go to a cancer-related beneficiary.

**IRON GIRL, CORPORATE TRIATHLON CHALLENGE AND IRONMAN**

As the exclusive broadcast media partner, Algoa FM calls on both professional and amateur athletes to transcend on the shores of Port Elizabeth to test their physical and mental limits with sporting events drawn over three days for varying target audiences. The weekend commences with the 8.5 km Iron Girl race on the Friday, the 380m Swim, 18km Bike and 4.2km Run in the Corporate Triathlon Challenge following the Saturday and finally culminating in the extreme test, Ironman, which includes a 3,8km Swim, 180.2km Bike and 42.2km Run on the Sunday. This year almost 4 000 daring athletes responded to Algoa FM's call for entrants; showcasing the power of regional radio in the Eastern Cape.



**GEORGE AGRICULTURAL SHOW**

Algoa FM is the proud media sponsor to an event which showcases some of the best features of George; rich agricultural heritage exhibiting various stalls such as cattle, chickens, sheep and industrial and additional entertainment including a beer garden, carousel, a ladies' programme and live performances by Afrikaans national artists.



**NELSON MANDELA BAY STADIUM PARTNERSHIP**

The Nelson Mandela Stadium, especially its soccer and rugby games, enjoys a higher profile in the Eastern Cape following the signing of a media partnership agreement between Algoa FM management and Nelson Mandela Bay Stadium management in November last year.



**ALGOA FM STUDIO REVAMP**

Algoa FM's East London and Port Elizabeth studios both recently received a world-class facelift to match the world-class radio beaming through Algoa FM's airwaves. Guests to the studio can now enjoy the new welcoming ambience whenever they visit the Algoa FM on-air team.



# CHAIRMAN'S REVIEW

## 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 license in 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 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.

## 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 (dividend No 3) is 200 cents per ordinary share (gross) (2012: Nil per share), declared on 14 June 2013.

## 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*

20 June 2013

# ADMINISTRATION

## **AFRICAN MEDIA ENTERTAINMENT LIMITED**

Incorporated in the Republic of South Africa  
Registration number 1926/008797/06  
Share Code: AME  
ISIN: ZAE000055802

## **AUDITORS**

PKF (Jhb) Inc.  
Chartered Accountants (SA)  
Registered Auditors  
42 Wierda Road West  
Wierda Valley  
Johannesburg, 2196

## **BANKERS**

ABSA Capital CIBW  
15 Alice Lane Towers  
Podium Floor  
Sandton, 2196

## **LEGAL ADVISORS**

**Martini-Patlansky Attorneys**  
32 St John Road  
Houghton  
Johannesburg, 2198

## **Fluxmans Attorneys**

11 Biermann Avenue  
Rosebank  
Johannesburg, 2196

## **SECRETARY AND REGISTERED OFFICE**

### **V Slabbert**

Block A, Oxford Office Park  
No. 5, 8th Street  
Houghton Estate  
Johannesburg, 2198

PO Box 3014, Houghton, 2041

## **SPONSOR**

### **Arcay Moela Sponsors (Pty) Limited**

Registration number: 2006/033725/07  
Ground Floor, One Building  
Woodmead North Office Park  
54 Maxwell Drive  
Woodmead, 2191

PO Box 62397, Marshalltown, 2107

## **TRANSFER SECRETARIES**

### **Computershare Investor Services (Pty) Limited**

Registration number 2004/003647/07  
Ground Floor, 70 Marshall Street  
Johannesburg, 2001

PO Box 61051, Johannesburg, 2107

Telephone: +27 11 370 5000

Telefax: +27 11 688 5238

# DIRECTORS' REPORT

## NATURE OF BUSINESS

The group's main activities are set out on page 2 of this report.

## FINANCIAL RESULTS

The financial results of the group and of the company are set out on pages 12 to 20 of this report.

A review of the group's results and performance of the business units is given in the Chairman's review on page 8.

## DIVIDENDS

An interim dividend of 100 cents (gross) was declared and paid during the year (2012: nil). A final dividend of 200 cents (gross) was declared after year-end for the period to 31 March 2013.

These dividends are subject to the dividends withholding tax that was introduced effective from 1 April 2012.

## SHARE CAPITAL

### Authorised and issued

There were no changes in the authorised or issued share capital of the company during the year under review.

## DIRECTORATE AND SECRETARY

Details of the directorate are given on page 3 of this report. Non-executive directors only receive remuneration for services as directors. Executive directors have service contracts with the company and are salaried directors.

Details of their remuneration are set out below:

	Remuneration 2013 R'000	Remuneration 2012 R'000	Fees 2013 R'000	Fees 2012 R'000
ACG Molusi *	–	–	119	83
KL Dube *	–	–	74	21
MJ Prinsloo *	–	–	206	185
N Sooka *	–	–	110	94
WTshuma *	–	–	115	99
AJ Davies **	693	680	–	–
M Mynhardt **	1 774	1 006	–	–
<b>Total remuneration</b>	<b>2 467</b>	<b>1 686</b>	<b>624</b>	<b>482</b>
<b>Paid by the company</b>	<b>2 467</b>	<b>1 686</b>	<b>624</b>	<b>482</b>
<b>Total remuneration</b>	<b>2 467</b>	<b>1 686</b>	<b>624</b>	<b>482</b>

\* Independent non-executive director

\*\* Executive director

## BREAKDOWN OF EXECUTIVE DIRECTORS' SALARIES

	Share options cash settled R'000	Salary R'000	Bonus R'000	Total R'000
<b>2013</b>				
AJ Davies	–	618	75	693
M Mynhardt	690	809	275	1 774
<b>Total remuneration</b>	<b>690</b>	<b>1 427</b>	<b>350</b>	<b>2 467</b>
<b>2012</b>				
AJ Davies	–	630	50	680
M Mynhardt	–	756	250	1 006
<b>Total remuneration</b>	<b>–</b>	<b>1 386</b>	<b>300</b>	<b>1 686</b>



## BREAKDOWN OF EXECUTIVE DIRECTORS' SALARIES (CONTINUED)

### SHARE OPTIONS

Executive director	2013 Options	2012 Options
AJ Davies	50 000	50 000
M Mynhardt	50 000	75 000

In terms of the Memorandum of Incorporation of the company, no less than a third of the non-executive directors retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

None of the independent non-executive directors of the company have a director's service contract with the company.

As at 31 March 2013, the aggregate direct and indirect, beneficial interests of the directors in the fully paid issued share capital of the company, were nil (2012: nil). There has been no material change in the directors' interests in the issued share capital between 31 March 2013 and the date of this report.

### PROPERTY, PLANT AND EQUIPMENT

The group acquired property, plant and equipment at a cost of R9,8 million (2012: R7,7 million) during the financial year under review. There have been no major changes in the nature of or the policy relating to the use of property, plant and equipment in the group.

### EVENTS SUBSEQUENT TO THE REPORTING PERIOD

The board declared a final dividend of 200 cents per ordinary share (gross) on 14 June 2013 for the year ended 31 March 2013.

There have been no other matters between the group's year-end and the date of this report that are required to be brought to the attention of shareholders.

### INVESTMENT IN SUBSIDIARY COMPANIES

The financial information in respect of the company's interest in its major subsidiary companies is set out in note 5 to the financial statements on page 19.

The aggregate profits and losses after taxation of the subsidiaries attributable to the company amounted to R42,7 million (2012: R36,2 million); subsidiaries making profits amounted to R45,4 million (2012: R36,5 million) and subsidiaries making losses amounted to R2,7 million (2012: R0,3 million).

### GOING CONCERN

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis assumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

### EMPLOYEE SHARE INCENTIVE SCHEMES

Details of options granted to employees, including any executive directors, are detailed in note 25 commencing on page 44 of the full annual report available for download on the company's website. The share scheme presently holds 89 275 (2012: 89 275) ordinary shares, none of which have been allocated. Other than these shares, no further shares have been set aside for the scheme. In terms of the Trust Deed, up to 10% of the company's share capital, being 828 831 (2012: 828 831) ordinary shares, can be utilised for purposes of the scheme. At 31 March 2013, 739 556 ordinary shares can still be issued to the share scheme.

# STATEMENTS OF FINANCIAL POSITION

as at 31 March 2013

	GROUP		COMPANY	
	31 March 2013 R'000	31 March 2012 R'000	31 March 2013 R'000	31 March 2012 R'000
<b>ASSETS</b>				
<b>Non-current assets</b>	<b>95 314</b>	<b>89 028</b>	<b>85 972</b>	<b>90 541</b>
Property, plant and equipment	34 881	29 130	12 617	12 668
Goodwill	39 780	39 780	–	–
Investment in subsidiaries	–	–	57 292	62 136
Investment in associated companies	2 953	2 980	–	–
Other financial instruments	9 225	9 903	15 028	14 545
Deferred taxation	8 475	7 235	1 035	1 192
<b>Current assets</b>	<b>146 552</b>	<b>116 320</b>	<b>68 425</b>	<b>21 268</b>
Trade receivables	64 230	56 563	–	–
Other receivables	2 454	2 121	924	918
Dividends receivable	950	500	9 950	500
Tax paid in advance	134	26	–	26
Cash and cash equivalents	78 784	57 110	57 551	19 824
<b>Total assets</b>	<b>241 866</b>	<b>205 348</b>	<b>154 397</b>	<b>111 809</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Total equity</b>	<b>161 007</b>	<b>134 091</b>	<b>148 225</b>	<b>106 093</b>
Share capital	8 171	8 171	8 288	8 288
Share premium	13 742	13 742	15 392	15 392
Non-distributable reserve	–	–	20 244	20 244
Retained earnings	134 663	105 030	104 301	62 169
Equity attributable to equity holders of the company	156 576	126 943	148 225	106 093
Non-controlling interest holders	4 431	7 148	–	–
<b>Non-current liabilities</b>	<b>41</b>	<b>315</b>	<b>–</b>	<b>–</b>
Operating lease accrual	–	200	–	–
Interest-bearing borrowings	41	115	–	–
<b>Current liabilities</b>	<b>80 818</b>	<b>70 942</b>	<b>6 172</b>	<b>5 716</b>
Trade payables	37 215	33 531	167	179
Other payables	41 828	34 738	4 922	4 760
Dividend payable	915	777	915	777
Operating lease accrual	62	291	–	–
Interest-bearing borrowings	74	84	–	–
Taxation	724	1 521	168	–
<b>Total equity and liabilities</b>	<b>241 866</b>	<b>205 348</b>	<b>154 397</b>	<b>111 809</b>

# STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 31 March 2013

	GROUP		COMPANY	
	Year ended 31 March 2013 R'000	Year ended 31 March 2012 R'000	Year ended 31 March 2013 R'000	Year ended 31 March 2012 R'000
<b>Revenue</b>	<b>216 688</b>	<b>206 075</b>	<b>4 920</b>	<b>4 920</b>
Cost of sales	(56 065)	(54 068)	–	–
Gross profit	<b>160 623</b>	<b>152 007</b>	<b>4 920</b>	<b>4 920</b>
Operating expenses	(107 249)	(102 020)	(9 842)	(5 222)
Operating profit/(loss)	<b>53 374</b>	<b>49 987</b>	<b>(4 922)</b>	<b>(302)</b>
Investment income	1 930	1 241	53 870	8 941
Finance income	3 070	2 942	1 867	1 707
Finance costs	(73)	(73)	–	–
Losses attributable to associates	(27)	(201)	–	–
Net profit before taxation	<b>58 274</b>	<b>53 896</b>	<b>50 815</b>	<b>10 346</b>
Taxation	(16 670)	(13 173)	(395)	506
<b>Total comprehensive income for the year</b>	<b>41 604</b>	<b>40 723</b>	<b>50 420</b>	<b>10 852</b>
<b>Attributable to:</b>				
Non-controlling interest holders	3 710	4 324	–	–
Equity holders of the parent	37 894	36 399	50 420	10 852
Earnings per share (cents)	<b>463,8</b>	<b>428,8</b>		

# STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 March 2013

	GROUP		COMPANY	
	31 March 2013 R'000	31 March 2012 R'000	31 March 2013 R'000	31 March 2012 R'000
<b>Issued capital</b>	<b>8 171</b>	<b>8 171</b>	<b>8 288</b>	<b>8 288</b>
Balance at beginning of year	8 171	8 539	8 288	8 628
Shares repurchased	–	(28)	–	–
Shares cancelled	–	(340)	–	(340)
<b>Share premium</b>	<b>13 742</b>	<b>13 742</b>	<b>15 392</b>	<b>15 392</b>
Balance at beginning of year	13 742	31 909	15 392	32 356
Shares repurchased	–	(1 203)	–	–
Shares cancelled	–	(16 964)	–	(16 964)
<b>Non-distributable reserve</b>	<b>–</b>	<b>–</b>	<b>20 244</b>	<b>20 244</b>
Balance at beginning of year	–	2 073	20 244	22 112
Fair value adjustment on available-for-sale	–	–	–	(1 562)
Restate as cash-settled instrument	–	(2 073)	–	(306)
<b>Retained earnings</b>	<b>134 663</b>	<b>105 030</b>	<b>104 301</b>	<b>62 169</b>
Balance at beginning of year	105 030	70 237	62 169	51 317
Change in shareholding	–	(1 606)	–	–
Comprehensive income for year	37 894	36 399	50 420	10 852
Dividend declared	(8 261)	–	(8 288)	–
<b>Non-controlling interest holders</b>	<b>4 431</b>	<b>7 148</b>	<b>–</b>	<b>–</b>
Balance at beginning of year	7 148	1 218	–	–
Share of dividend	(6 427)	–	–	–
Change in shareholding	–	1 606	–	–
Comprehensive income for year	3 710	4 324	–	–
<b>Total equity</b>	<b>161 007</b>	<b>134 091</b>	<b>148 225</b>	<b>106 093</b>



# STATEMENTS OF CASH FLOWS

for the year ended 31 March 2013

	GROUP		COMPANY	
	Year ended 31 March 2013 R'000	Year ended 31 March 2012 R'000	Year ended 31 March 2013 R'000	Year ended 31 March 2012 R'000
<b>Cash flows from operating activities</b>	<b>44 579</b>	<b>41 273</b>	<b>(302)</b>	<b>8 600</b>
Profit before taxation	58 274	53 896	50 815	10 346
Adjustments	(567)	(1 089)	(53 084)	(7 673)
– investment income	(1 930)	(1 241)	(53 870)	(941)
– finance income	(3 070)	(2 942)	(1 867)	(1 707)
– finance cost	73	73	–	–
– depreciation	4 074	3 968	66	66
– loss on disposal of property, plant and equipment	9	3	–	–
– rental smoothing	(429)	225	–	–
– non-cash (income)/expenditure	679	(1 376)	(559)	(9 520)
– provision for impairment in subsidiaries	–	–	3 146	4 429
– impairment losses attributable to associates	27	201	–	–
Operating profit before working capital changes	57 707	52 807	(2 269)	2 673
	2 690	1 080	144	4 300
– (increase)/decrease in trade and other receivables	(8 000)	(15 219)	(6)	737
– increase in trade and other payables	10 690	16 299	150	3 563
Cash generated by operations	60 397	53 887	(2 125)	6 973
Net interest received	2 997	2 869	1 867	1 707
Taxation paid	(18 815)	(15 483)	(44)	(80)
<b>Cash flows from investing activities</b>	<b>(8 356)</b>	<b>(30 744)</b>	<b>46 179</b>	<b>(23 938)</b>
(Increase)/decrease in investments and loans	(3)	(6 170)	1 774	(4 199)
Purchase of property, plant and equipment	(9 833)	(7 722)	(15)	(4 091)
Dividends received	1 480	1 650	44 420	1 650
Repurchase of shares	–	(18 535)	–	(17 304)
Proceeds on disposal of property, plant and equipment	–	33	–	6
<b>Cash flows from financing activities</b>	<b>(14 549)</b>	<b>–</b>	<b>(8 150)</b>	<b>–</b>
Dividend paid to equity holders	(8 122)	–	(8 150)	–
Dividend paid to non-controlling interest holder	(6 427)	–	–	–
Net increase/(decrease) in cash and cash equivalents	21 674	10 529	37 727	(15 338)
Cash and cash equivalents at beginning of year	57 110	46 581	19 824	35 162
<b>Cash and cash equivalents at end of year</b>	<b>78 784</b>	<b>57 110</b>	<b>57 551</b>	<b>19 824</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2012

	GROUP		COMPANY	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
<b>1. SHARE CAPITAL</b>				
<i>Authorised</i>				
15 000 000 ordinary shares of R1 each	15 000	15 000	15 000	15 000
<i>Issued</i>				
8 288 309 (2012:8 288 309) ordinary shares of R1 each	8 288	8 288	8 288	8 288
Held by the AME Share Incentive Trust	(89)	(89)	–	–
Held by AME Broadcasting (Pty) Limited	(28)	(28)	–	–
	<b>8 171</b>	<b>8 171</b>	<b>8 288</b>	<b>8 288</b>

## Unissued shares

The 6 711 691 (2012: 6 711 691) unissued shares are under the control of the directors in terms of a resolution of members passed at the annual general meeting of shareholders on 11 September 2012. The authority is valid until the next annual general meeting.

## 2. RELATED PARTIES

### Identity of related parties

The subsidiaries of the group are identified in note 5 and the associates of the group are disclosed in note 6. Significant shareholders are detailed on page 21. The directors are listed in the Directors' report. Details of key management are listed on page 3.

### Related party transactions

Details of the directors' remuneration are listed in the Directors' report. Trading transactions occur between subsidiaries and divisions within the group companies and are reversed on consolidation of the accounts. Details of such transactions, including loans, other receivables, management fees, rental and dividends are detailed below:

	COMPANY	
	2013 R'000	2012 R'000
<i>Loan accounts owing by related parties</i>		
AME Broadcasting (Pty) Limited	–	5 955
United Stations (Pty) Limited	4 620	3 690
Radio Heads (Pty) Limited	9 293	5 973
Radio Heads Investment Holdings (Pty) Limited	21	14
<i>Amounts included in other receivables regarding related parties</i>		
Umoya Communications (Pty) Limited	207	228
Central Media Group (Pty) Limited	182	182
United Stations (Pty) Limited	8	–

## 2. RELATED PARTIES (CONTINUED)

	Year ended 31 March 2013 R'000	Year ended 31 March 2012 R'000
<i>Management fees received from related parties</i>		
Umoya Communications (Pty) Limited	2 400	2 400
Central Media Group (Pty) Limited	1 920	1 920
United Stations (Pty) Limited	240	240
<i>Rental received from related party</i>		
United Stations (Pty) Limited	360	360
<i>Interest received from related party</i>		
Radio Heads (Pty) Limited	–	18
<i>Dividends received from related parties</i>		
Umoya Communications (Pty) Limited	24 840	8 000
Central Media Group (Pty) Limited	18 073	–
AME Broadcasting (Pty) Limited	28	–
United Stations (Pty) Limited	9 000	–

	GROUP		COMPANY	
	Year ended 31 March 2013 R'000	Year ended 31 March 2012 R'000	Year ended 31 March 2013 R'000	Year ended 31 March 2012 R'000
<b>Associates loan</b>				
Mahareng Publishing (Pty) Limited	5 050	5 050	–	–

	Year ended 31 March 2013 R'000	Year ended 31 March 2012 R'000
Key management personnel (being the executive management as per page 3) remuneration for the period amounted to:		
Basic	3 610	3 335
Medical aid	53	87
Pension	287	267
Bonus	1 469	809
Share-based payments	–	2 743
	5 419	7 241

Details of guarantees between the holding company and its subsidiaries are contained in note 3 to these financial statements.

None of the directors or major shareholders of the group, nor their families, had any direct or indirect interests in any transaction concluded with the group in the current or prior financial years, other than is disclosed in this note.

## 3. CONTINGENT LIABILITIES

The company stands surety for the liabilities amounting to R6,9 million (2012: R4,0 million) of one of its subsidiary companies for the benefit of Media Credit Co-ordination. The suretyships will remain in force for an indefinite period.

On 30 May 2012 the Copyright Tribunal delivered its judgement on the negotiations between the National Association of Broadcasters ("NAB") and the South African Music Performers Rights Association ("SAMPRO") relating to the appropriate royalty for Needletime. Consequently, the NAB filed an application for leave to appeal the Tribunal's decision to the Supreme Court of Appeal, and leave was granted to the NAB on 23 January 2013. All relevant court documents have been submitted by the NAB to the Supreme Court of Appeal in Bloemfontein.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2012

## 4. SEGMENTAL REPORTING

	Radio broadcasters		Sales houses		Company		Group total	
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	31 March 2013	31 March 2012	31 March 2013	31 March 2012	31 March 2013	31 March 2012	31 March 2013	31 March 2012
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Revenue</b>								
Total revenue	187 551	178 682	42 990	41 537	4 920	4 920	235 461	225 139
Internal revenue	–	–	(13 853)	(14 144)	(4 920)	(4 920)	(18 773)	(19 064)
External revenue	187 551	178 682	29 137	27 393	–	–	216 688	206 075
<b>Profitability</b>								
Segment profit from operations	43 787	39 348	15 749	10 941	(6 162)	(302)	53 374	49 987
Unallocated/eliminated corporate net expense and inter-company consolidation							(27)	(201)
							53 347	49 786
Investment income							1 930	1 241
Finance income							3 070	2 942
Finance cost							(73)	(73)
Taxation							(16 670)	(13 173)
Profit for year							41 604	40 723
<b>Assets</b>								
Segment assets	59 712	52 465	54 041	49 543	46 376	43 250	160 129	145 258
Investment in associates	2 953	2 980					2 953	2 980
							163 082	148 238
Cash and cash equivalents							78 784	57 110
							241 866	205 348
<b>Liabilities</b>								
Segment liabilities	32 494	29 670	42 193	35 871	6 172	5 716	80 859	71 257
Capital expenditure	9 491	3 023	327	608	15	4 091	9 833	7 722
Depreciation	3 018	2 927	990	975	66	66	4 074	3 968



	COMPANY	
	2013 R'000	2012 R'000
<b>5. INVESTMENT IN SUBSIDIARIES</b>		
AME Broadcasting (Pty) Limited (holding company)		
– 100 shares representing a 100% holding*	–	–
– Loan	–	1 955
– Loan to purchase 1000 United Stations (Pty) Limited shares representing a 100% holding	–	4 000
United Stations (Pty) Limited (Radio Advertising Sales House)		
– Loan	4 620	3 690
Central Media Group (Pty) Limited (t/a OFM)		
– 77 525 shares representing a 70,1% holding	28 968	28 968
Umoya Communications (Pty) Limited (t/a Algoa FM)		
– 1 000 shares representing a 90% holding	23 683	23 683
Radio Heads Investment Holdings (Pty) Limited (holding company)		
– 511 shares representing a 51,1% holding*	–	–
– Loan	21	14
Radio Heads (Pty) Limited (Radio Advertising Sales House)		
– 490 shares representing a 49% holding*	–	–
– Loan	9 293	5 973
Algoa FM Radio Empowerment Company (Pty) Limited		
– 49 shares representing a 49% holding*	–	–
	<b>66 585</b>	<b>68 283</b>
Provision for impairment in subsidiaries	<b>(9 293)</b>	<b>(6 147)</b>
	<b>57 292</b>	<b>62 136</b>

\* Less than R1 000

All subsidiaries share the year end of the company and are incorporated in South Africa.

The loans to subsidiaries are unsecured and interest free. The subsidiary companies have an unconditional right to defer settlement of the loan for 12 months. The company has subordinated R5,6 million (2012: R2,9 million) of one of its loans to a subsidiary.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2012

	GROUP		COMPANY	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
<b>6. INVESTMENT IN ASSOCIATED COMPANIES</b>				
M-Power Radio (Pty) Limited (t/a M-Power FM)				
– 498 shares representing a 24,9% holding	–	1 494	–	1 494
– Impairment of Investment	–	–	–	(1 494)
– Share of post-acquisition loss	–	(1 494)	–	–
– Loan	–	1 494	–	1 494
– Impairment of loan	–	(1 494)	–	(1 494)
Mahareng Publishing (Pty) Limited				
– 500 shares representing a 50% holding	1	1	–	–
– Loan	5 050	5 050	–	–
Share of post-acquisition loss	(2 098)	(2 071)	–	–
	<b>2 953</b>	<b>2 980</b>	–	–

\* Less than R1 000

All loans are interest free with no fixed terms of repayment.

M-Power Radio has a June financial year-end; March 2012 management accounts information was used in the preparation of the summarised financial information for 2012.

During the 2013 financial year it was decided to reclassify the investment in M-Power Radio from an associate to an available for sale investment. African Media Entertainment Limited ceased to have board representation on the M-Power board and no longer has significant influence over the company.

Summary of the financial information:

Total assets	3 058
Total liabilities	15 362
Accumulated loss	12 304

Mahareng Publishing has a March financial year-end.

Summary of the financial information:

Total assets	6 654	6 737
Total liabilities	10 970	10 943
Accumulated loss	4 316	4 207

## 7. REPORT OF THE INDEPENDENT AUDITORS

PKF (Jhb) Inc.'s unqualified auditors' report included in the annual consolidated financial statements of the full Annual Report is available for inspection at the company's registered office.

# ANALYSIS OF SHAREHOLDING

for the year ended 31 March 2013

	Number of shares held '000	Shares held %	Number of share- holders	Share- holder %
<b>Size of shareholding</b>				
1 – 1 000	108	1,3	412	71,4
1 001 – 10 000	438	5,3	111	19,2
10 001 – 100 000	1 401	16,9	39	6,8
100 001 +	6 341	76,5	15	2,6
<b>Total</b>	<b>8 288</b>	<b>100,0</b>	<b>577</b>	<b>100,0</b>
<b>Category</b>				
Private individuals	547	6,6	447	77,5
Nominee companies or trusts	6 743	81,4	100	17,3
Investment companies	812	9,8	19	3,3
Limited companies	43	0,5	2	0,3
Other corporate bodies	143	1,7	9	1,6
<b>Total</b>	<b>8 288</b>	<b>100,0</b>	<b>577</b>	<b>100,0</b>
<b>Shareholder spread</b>				
Non-public shareholders:				
AME Broadcasting (Pty) Limited	28	0,3	1	0,2
AME Share Incentive Trust	89	1,1	1	0,2
Shareholders holding more than 5% of the issued ordinary shares:				
– Moolman and Coburn Partnership	2 053	24,8	1	0,2
– Golden Hind Partnership	801	9,7	1	0,2
– Frances Elizabeth Coburn	800	9,7	1	0,2
– Barclays Private Bank and Trust Limited	523	6,3	1	0,2
– MGM Family Trust	497	6,0	1	0,2
	4 791	57,9	7	1,4
Public shareholders	3 497	42,1	570	98,6
<b>Total</b>	<b>8 288</b>	<b>100,0</b>	<b>577</b>	<b>100,0</b>

## Directors' interests

There are no directors holding, directly or indirectly, in excess of 1% of the issued shares of the company on 31 March 2013.

# NOTICE OF ANNUAL GENERAL MEETING



## AFRICAN MEDIA ENTERTAINMENT

(Incorporated in the Republic of South Africa)  
(Registration number 1926/008797/06)  
(Share code: AME) (ISIN: ZAE000055802)

Notice is hereby given that the fifteenth annual general meeting ("meeting") of shareholders of African Media Entertainment Limited ("AME" or "the company") will be held in the boardroom, Block B, Oxford Office Park, No 5, 8th Street, Houghton Estate, Johannesburg at 10:00 on Friday, 30 August 2013.

### RECORD DATE, ATTENDANCE AND VOTING

The record date for determining which shareholders are entitled to notice of the meeting is Friday, 28 June 2013 and the record date for determining which shareholders are entitled to participate in and vote at the meeting is Friday, 23 August 2013. The last day to trade in order to be eligible to vote at the meeting is accordingly Friday, 16 August 2013.

### ELECTRONIC ATTENDANCE AT THE MEETING

The company intends to make provision for the shareholders of the company or their proxies to participate in the meeting by way of electronic communication. Should you wish to participate in the meeting in this manner, you will need to contact the company at 011 442 0865 by 10:00 on Wednesday, 28 August 2013, alternatively, contact the transfer secretaries at 011 370 5122/7873 by 10:00 on Wednesday, 28 August 2013, so that the company can make the necessary arrangements for electronic communication. Should you be participating in the meeting by electronic communication, kindly ensure that the voting proxies are sent to the company or the transfer secretaries by 10:00 on Wednesday, 28 August 2013 at the addresses set out at the end of this notice of meeting.

### PURPOSE OF MEETING

The purpose of this meeting is to present the Directors' report and the audited financial statements of the company and the group for the year ended 31 March 2013, and to consider and, if deemed fit, to pass, with or without modification, the ordinary and special resolutions set out below.

### ORDINARY RESOLUTIONS

To consider, and, if deemed fit, approve the following ordinary resolutions with or without modification.

**Voting requirements:** In order to be adopted, all ordinary resolutions require the support of a majority of the votes cast by shareholders present or represented by proxy at this meeting. The quorum for the meeting is 25% of the issued share capital of the company.

#### 1. Ordinary resolution number 1: adoption of the annual financial statements

"Resolved that:  
the annual financial statements of the company and the group for the year ended 31 March 2013 be and are hereby adopted."

**Explanation:** The reason for and effect of the ordinary resolution number 1 is to receive and adopt the annual financial statements for the company and the group for the year ended 31 March 2013.

#### 2. Ordinary resolution number 2: to place the unissued shares of the company under the control of the directors

"Resolved that:  
all the unissued shares in the capital of the company be placed under the control of the directors in terms of article 6 of the Memorandum of Incorporation of AME, as a general authority in terms of the Companies Act, 2008 (Act 71 of 2008), as amended ("the Act"), who are hereby authorised to allot and issue shares in the capital of the company to those persons, upon such terms and conditions, as the directors in their sole discretion deem fit, until the next annual general meeting, subject to the provisions of the Act and the Listings Requirements of the Johannesburg Stock Exchange ("JSE")."

**Explanation:** In terms of article 6 of the Memorandum of Incorporation of AME and in terms of the general authority in the Act, the authority given at the annual general meeting needs to be renewed.

#### 3. Ordinary resolution number 3: re-election of directors

"Resolved that:

3.1 Mr MJ Prinsloo, who retires by rotation in terms of the Memorandum of Incorporation



of the company and who is eligible and available for re-election, be and is hereby re-elected as a director of the company.

- 3.2 Mr WTshuma, who retires by rotation in terms of the Memorandum of Incorporation of the company and who is eligible and available for re-election, be and is hereby re-elected as a director of the company."

**Explanation:** To re-elect Messrs MJ Prinsloo and W Tshuma, who are recommended by the board and whose appointment automatically terminates on the day of the annual general meeting in terms of article 31 of the Memorandum of Incorporation of the company. A brief biography of these directors appears on page 3.

**4. Ordinary resolution number 4: re-appointment of independent auditor**

"Resolved that:  
PKF (Jhb) Inc. be and is hereby re-appointed as independent auditor of the company from the conclusion of this annual general meeting until the conclusion of the next annual general meeting of the company."

**Explanation:** The reason for this ordinary resolution is that the company, being a listed public company, must appoint an independent auditor and have its annual financial statements audited.

**5. Ordinary resolution number 5: re-election of the audit and risk committee members and chairman**

"Resolved that:

- 5.1 Mr MJ Prinsloo be and is hereby re-elected as a member and chairman of the audit and risk committee until conclusion of the next annual general meeting.
- 5.2 Mr N Sooka be and is hereby re-elected as a member of the audit and risk committee until conclusion of the next annual general meeting.
- 5.3 Mr WTshuma be and is hereby re-elected as a member of the audit and risk committee until conclusion of the next annual general meeting."

**Explanation:** To re-elect Messrs MJ Prinsloo, N Sooka and WTshuma, who are recommended by the board and whose appointment automatically terminates on the day of the annual general meeting. The reason for this ordinary resolution is that at each annual general meeting, a public company must elect an audit and risk committee comprising at least three members.

Brief biographies of these directors appear on page 3.

The ordinary resolutions numbers 5.1, 5.2 and 5.3 will be considered separately.

**6. Ordinary resolution number 6: authority to sign documentation:**

"Resolved that:

any director of the company or the company secretary be and is hereby authorised to take all actions necessary and sign all documentation required to give effect to the ordinary and special resolutions which have been passed at the annual general meeting."

**SPECIAL RESOLUTIONS**

To consider and, if deemed fit, approve the following special resolutions with or without modification.

**Voting requirements:** In order to be adopted, all special resolutions require the support of 75% or more of the votes cast by shareholders present or represented by proxy at this meeting. The quorum for the meeting is 25% of the issued share capital of the company.

**1. Special resolution number 1: general authority for company and/or subsidiary to acquire the company's own shares**

"Resolved that:

the company and/or a subsidiary of the company be and is hereby authorised to repurchase or purchase, as the case may be, ordinary shares issued by the company on such terms and conditions and in such amounts as the directors of the company may decide, but subject always to the provisions of section 48 of the Act and the Listings Requirements of the JSE, which currently stipulate that:

- the repurchase of securities being effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty (reported trades are prohibited);
- at any point in time the company may only appoint one agent to effect any repurchases on the company's behalf;
- the company or any of its subsidiaries may not repurchase securities during a prohibited period as defined in the Listings Requirements of the JSE;
- this general authority shall only be valid until the company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this special resolution;

# NOTICE OF ANNUAL GENERAL MEETING

(continued)

- a paid press announcement will be published as soon as the company has acquired ordinary shares constituting, on a cumulative basis, 3% (three percent) of the number of ordinary shares in issue, at the time of passing of this special resolution, and any 3% (three percent) increments thereafter which announcements shall contain full details of such acquisitions;
- acquisitions of ordinary shares by the company in terms of this general authority in the aggregate in any one financial year may not exceed 20% (twenty percent) of the company's issued ordinary share capital nor may any subsidiary hold more than 10% (ten percent) of the company's issued share capital at any one time; and
- in determining the price at which ordinary shares issued by the company are acquired in terms of this general authority, the maximum price at which such ordinary shares may be acquired may not be greater than 10% (ten percent) above the weighted average of the market price at which such ordinary shares traded on the JSE over the 5 (five) business days immediately preceding the date on which the transaction is effected.

The general authority to repurchase the company's shares will be acted upon within the parameters laid down by the JSE, as and when the directors deem it to be appropriate. After considering the effect of a general repurchase within these parameters, the directors are of the view that, for a period of at least 12 (twelve) months after the date of this notice of meeting:

- AME and the group will be able in the ordinary course of business to pay its debts;
- the assets of AME and the group, fairly valued in accordance with accounting policies used in the latest audited report, will be in excess of the liabilities of the company and the group;
- the ordinary capital and reserves of AME and the group will be adequate for the purposes of the company's and the group's businesses, respectively; and
- the working capital of AME and the group will be adequate for their requirements."

The company will provide the sponsor and the JSE with all documentation as required in Schedule 25 of the Listings Requirements of the JSE and will not recommence any repurchase programme until the sponsor has signed off on the adequacy of its working capital, advised the JSE accordingly and the JSE has approved this documentation.

The reason for this special resolution is to grant a general approval in terms of the Act and the Listings Requirements of the JSE for the acquisition by the company or its subsidiaries of shares issued by the company, subject to statutory and regulatory limitations and controls.

The effect of this special resolution is to enable the company and/or a subsidiary, by way of a general approval, to repurchase up to a maximum of 20% of its share capital in any one financial year.

## Additional disclosure requirements in terms of the Listings Requirements of the JSE

As per Section 11.26(b) of the Listings Requirements of the JSE, shareholders are referred to the following sections in the abridged annual report to which this notice of annual general meeting is attached:

- Details of directors on page 3;
- Directors' interests in securities on page 11 (which beneficial interests have not changed since 31 March 2013. There are no non-beneficial interests);
- Major shareholders on page 21;
- Material changes in the nature of the company's trading or financial position post-31 March 2013 on page 11; and
- Share capital note 1 on page 16.

## Explanation

The reason for and effect of special resolution number 1 is to give a mandate to the directors to repurchase or purchase ordinary shares issued by the company.

## 2. Special resolution number 2: approval of non-executive directors' fees

"Resolved that: the remuneration of the non-executive directors be and is hereby increased with effect from 1 April 2013 as set out below.

Directors' fees are payable per meeting attended:

<b>Board</b>	
Chairman	R17 000
Other	R11 900
<b>Audit and risk committee</b>	
Chairman	R11 350
Other	R7 950
<b>Remuneration, human resources and transformation committee</b>	
Chairman	R11 350
Other	R7 950
<b>Social and ethics committee</b>	
Chairman	R11 350

**Explanation:** The reason for and effect of special resolution number 2 is to grant the company the authority to pay fees to non-executive directors for their services as directors.

#### **Litigation statement**

The directors are not aware of any legal or arbitration proceedings active, pending or threatened against or being brought by the company, which may have a material effect on the group's financial position or which have had a material effect during the 12 months preceding the date of this notice of annual general meeting.

#### **Directors' responsibility statement**

The directors, whose names have been given on page 3 of this annual report, collectively and individually, accept full responsibility for the accuracy of the information pertaining to special resolutions numbers 1 and 2 and certify that, to the best of their knowledge and belief, there are no facts which have been omitted, which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that such resolutions contain all information relevant to special resolutions numbers 1 and 2.

#### **Material changes**

Other than the facts and developments reported in the annual financial statements, there have been no material changes in the affairs of financial position of the company and its subsidiaries since the date of signature of the audit report and up to the date of this notice.

#### **Voting and proxies**

Each shareholder who, being a natural person, is present in person, by proxy or agent, or, being a company, is represented by representative proxy or agent at the general meeting, is entitled to one vote on a show of hands. On a poll, each shareholder, whether present in person or by proxy or by representation, is entitled to one vote for each share held.

A form of proxy is attached for use by certificated or own name shareholders who are unable to attend the general meeting but wish to be represented thereat. They are required to complete and return the form of proxy so as to be received by the transfer secretaries of the company, Computershare Investor Services Proprietary Limited (Ground Floor, 70 Marshall Street, Johannesburg, 2001 or PO Box 61051, Marshalltown, 2107) not later than 10:00 on Wednesday, 28 August 2013.

Shareholders who have dematerialised their shares through a Central Securities Depository Participant ("CSDP") or broker, other than by own name registration and who wish to attend the annual general meeting, must instruct their CSDP or broker to issue them with the necessary letter of representation to attend the meeting, in terms of the custody agreement entered into between such shareholders and their CSDP or broker.

Shareholders who have dematerialised their shares through a CSDP or broker, other than by own name registration, who wish to vote by way of proxy should provide their CSDP or broker with their voting instructions by the cut-off time or date advised by their CSDP or broker for transactions of this nature.

Each certificated or own name dematerialised shareholder entitled to attend and vote at the annual general meeting may appoint one or more proxies (none of whom need be an AME shareholder) to attend, speak and vote in his or her stead. The completion and lodging of a form of proxy will not preclude a shareholder from attending the meeting and speaking and voting thereat to the exclusion of the proxy so appointed.

By order of the board



**V Slabbert**  
*Company secretary*

28 June 2013



## SUMMARY OF RIGHTS ESTABLISHED BY SECTION 58 OF THE COMPANIES ACT, AS REQUIRED IN TERMS OF SUB-SECTION 58(8)(B)(I)

1. A shareholder may at any time appoint any individual, including a non-shareholder of the Company, as a proxy to participate in, speak and vote at a shareholders' meeting on his or her behalf (section 58(1)(a)), or to give or withhold consent on behalf of the shareholder to a decision in terms of section 60 (shareholders acting other than at a meeting) (section 58(1)(b)).
2. A proxy appointment must be in writing, dated and signed by the shareholder, and remains valid for one year after the date on which it was signed or any longer or shorter period expressly set out in the appointment, unless it is revoked in terms of paragraph 6.3 or expires earlier in terms of paragraph 10.4 below (section 58(2)).
3. A shareholder may appoint two or more persons concurrently as proxies and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder (section 58(3)(a)).
4. A proxy may delegate his or her authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy ("proxy instrument") (section 58(3)(b)).
5. A copy of the proxy instrument must be delivered to the Company, or to any other person acting on behalf of the Company, before the proxy exercises any rights of the shareholder at a shareholders' meeting (section 58(3)(c)) and in terms of the Memorandum of Incorporation ("MOI") of the Company at least 48 hours before the meeting commences.
6. Irrespective of the form of instrument used to appoint a proxy:
  - 6.1 the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder (section 58(4)(a));
  - 6.2 the appointment is revocable unless the proxy appointment states otherwise (section 58(4)(b)); and
  - 6.3 if the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing or by making a later, inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company (section 58(4)(c)).
7. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered as contemplated in paragraph 6.3 above (section 58(5)).
8. If the proxy instrument has been delivered to the Company, as long as that appointment remains in effect, any notice required by the Companies Act or the Company's MOI to be delivered by the Company to the shareholders must be delivered by the Company to the shareholders (section 58(6)(a)), or the proxy or proxies, if the shareholder has directed the Company to do so in writing and paid any reasonable fee charged by the Company for doing so (section 58(6)(b)).
9. A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the MOI or proxy instrument provides otherwise (section 58(7)).
10. If the Company issues an invitation to shareholders to appoint one or more persons named by the Company as a proxy, or supplies a form of proxy instrument:
  - 10.1 the invitation must be sent to every shareholder entitled to notice of the meeting at which the proxy is intended to be exercised (section 58(8)(a));
  - 10.2 the invitation or form of proxy instrument supplied by the Company must:
    - 10.2.1 bear a reasonably prominent summary of the rights established in section 58 of the Companies Act (section 58(8)(b)(i));
    - 10.2.2 contain adequate blank space, immediately preceding the name(s) of any person(s) named in it, to enable a shareholder to write the name, and if desired, an alternative name of a proxy chosen by the shareholder (section 58(8)(b)(ii)); and
    - 10.2.3 provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution(s), to be put at the meeting, or is to abstain from voting (section 58(8)(b)(iii));
  - 10.3 the Company must not require that the proxy appointment be made irrevocable (section 58(8)(c)); and
  - 10.4 the proxy appointment remains valid only until the end of the meeting at which it was intended to be used, subject to paragraph 7 above (section 58(8)(d)).

# FORM OF PROXY



## AFRICAN MEDIA ENTERTAINMENT

(Incorporated in the Republic of South Africa)  
(Registration number 1926/008797/06)  
(Share code: AME)  
(ISIN: ZAE 000055802)  
("AME" or "the company")

For use by certificated shareholders and dematerialised shareholders with own name registration at the fifteenth annual general meeting of the holders of ordinary shares in the company ("AME shareholders") to be held in the boardroom, Block B, Oxford Office Park, No. 5, 8th Street, Houghton Estate, Johannesburg, at 10:00 on Friday, 30 August 2013 ("the annual general meeting").

I/We

being the registered holder/s of  ordinary shares in the capital of the company, of (address):

hereby appoint (see note 1):

1. \_\_\_\_\_ or failing him/her,

2. \_\_\_\_\_ or failing him/her,

3. the chairman of the annual general meeting,

as my/our proxy to act for me/us at the annual general meeting for the purposes of considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions to be proposed thereat, and at each adjournment thereof, and to vote for or against such resolutions or abstain from voting in respect of the ordinary shares registered in my/our name/s in accordance with the following instructions (see note 2):

Resolution number	For	Against	Abstain
<b>Ordinary resolutions</b>			
1 To adopt the annual financial statements of the company and group for the year ended 31 March 2013			
2 To place the unissued ordinary shares of the company under the control of the directors			
3.1 To re-elect Mr MJ Prinsloo as a director of the company			
3.2 To re-elect Mr WTshuma as a director of the company			
4 To re-appoint PKF (Jhb) Inc. as the independent auditors of the company			
5.1 To re-elect Mr MJ Prinsloo as member and chairman of the audit and risk committee			
5.2 To re-elect Mr N Sooka as member of the audit and risk committee			
5.3 To re-elect Mr WTshuma as member of the audit and risk committee			
6 To authorise a director or company secretary to take action or sign documentation to give effect to resolutions passed			
<b>Special resolutions</b>			
1 To approve the general authority for the company and/or a subsidiary to acquire the company's own shares			
2 To approve the remuneration of the non-executive directors			

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2013

Signature \_\_\_\_\_

Assisted by (where applicable state capacity and full name) \_\_\_\_\_

Each AME shareholder is entitled to appoint one or more proxy/ies (who need not be a shareholder/s of the company) to attend, speak and vote in his or her stead at the annual general meeting.

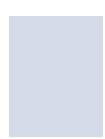
Please read the notes on the reverse side hereof.





## NOTES

1. An AME shareholder may insert the name of a proxy or the names of two alternative proxies of his or her choice in the space/s provided, with or without deleting “the chairman of the annual general meeting,” but any such deletion must be initialled by the AME shareholder concerned. The person whose name appears first on this form of proxy and who is present at the annual general meeting, will be entitled to act as proxy to the exclusion of those persons whose names follow.
2. An AME shareholder’s instruction to the proxy must be shown by indicating in the appropriate box provided the manner in which that AME shareholder wishes to vote by inserting an “X” in the relevant box unless a shareholder wishes to split his or her votes. In this case the relevant number of shares to be so voted must be indicated in the relevant box. Failure to comply with the above will be deemed to authorise the proxy to vote, or abstain from voting, at the annual general meeting as he or she deems fit in respect of all the AME shareholder’s votes exercisable thereat.
3. An AME shareholder or his or her proxy is not obliged to use all the votes exercisable by the member or to cast all these votes exercised in the same way, but the total of the votes cast, and in respect whereof abstention is recorded, may not exceed the total of the votes exercisable by the member. Failure to comply with the above will be deemed to be authority to the chairman of the annual general meeting, if the chairman is the authorised proxy, to vote in favour of the ordinary and/or special resolutions proposed at the annual general meeting or any other proxy to vote or abstain from voting, at the annual general meeting as he or she deems fit, in respect of the shares concerned.
4. Forms of proxy and any power of attorney by virtue of which such proxy is signed (or a notarially certified copy of such power of attorney) must be lodged at or posted to the transfer secretaries of the company, Computershare Investor Services Proprietary Limited (Ground Floor, 70 Marshall Street, Johannesburg, 2001 or PO Box 61051, Marshalltown, 2107), to be received by not later than 10:00 on Wednesday, 28 August 2013.
5. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company secretary or waived by the chairman of the annual general meeting.
7. If you are a dematerialised shareholder, other than by own name registration, you must inform your appointed Central Securities Depository Participant (“CSDP”) or broker of the manner in which you wish to vote in order for them to notify the company secretary by not later than 10:00 on Wednesday, 28 August 2013. Only registered certificated shareholders recorded in the main register of members of the company or under own names in the dematerialised register, may complete a form of proxy or alternatively attend the annual general meeting. Those dematerialised shareholders who are not registered under their own names who wish to attend the annual general meeting or vote by proxy must contact their CSDP or broker who will provide them with the necessary authority to do so, or carry out their instructions.
8. This must be done in terms of the agreement between the shareholder and his or her CSDP, as applicable.
9. The chairman of the annual general meeting may reject or accept any form of proxy which is completed and/or received, other than in compliance with the Memorandum of Incorporation of the company or these notes.





AFRICAN MEDIA  
ENTERTAINMENT

[WWW.AME.CO.ZA](http://WWW.AME.CO.ZA)