

African Media feels the pinch

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28 Nov 2017

African Media and Entertainment (AME) has warned shareholders it expects trading conditions for the remaining six months of the 2018 financial year to remain challenging.



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The owner of online business news site Moneyweb, radio stations such as Algoa FM and marketing and advertising businesses reported a decline in headline earnings per share to 208.7c for the six months to September, from 229.8c.

AME said "low business confidence resulted in demanding trading conditions".

Revenue from radio broadcasting increased to R104.8m from R100.1m. Radio services reported a decline in revenue to R11.9m from R19.1m in the previous corresponding period.

Overall revenue decreased by 2% to R117m.

AME's Eastern Cape-based Algoa FM delivered a solid performance with year-on-year revenue marginally up, although advertising revenue remains under pressure.

"Profitability is slightly lower than the prior period and cost containment remains a key focus area of the management team," AME said. The group's subsidiary, Central Media Group, which operates in areas such as outdoor advertising, publishing and events, faced tough trading conditions and its revenue is marginally down.

"Through tight cost control profitability is only marginally lower than the corresponding period," AME said.

Radio station OFM, which targets the Free State, Northern Cape, North West and Southern Gauteng, continues to experience pressure on its ability to generate advertising revenue, especially from traditional advertisers, as part of a general, sectorwide decline, AME said.

Source: Business Day

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