Tiso Blackstar Group SE
Provisional Condensed Consolidated Financial Statements for the year ended 30 June 2019

Incorporated in England and Wales

Company number SE 000110

Registered as an external company with limited liability in the Republic of South Africa under registration number 2011/008274/10

Share code: TBG

ISIN: GB00BF37LF46

(“Tiso Blackstar” or the “Company” or together with its subsidiaries the “Group”)

Salient features

- Trading performance [(1)] growth of 3.0% (from R403.7 million to R415.8 million)
- Revenue increase of 17.5% for Hirt & Carter Group
- Reduction in Group debt of 6.5%
- Disposal of certain Media, Broadcast and Content businesses, and Africa Associates for R1,050.0 million
- Turnaround strategy for KTH
- Continued difficult trading environment
- Successful integration of Hirt & Carter Group operations into one facility

Executive Summary

Tiso Blackstar had a difficult but very eventful year. While the economy weighed heavily on sentiment and consumer spending, the operations of Hirt & Carter Group performed satisfactorily growing revenue 17.5% through a combination of acquisitions, organic growth and a stable EBITDA of R286.0 million despite the unavoidable impact of the relocation of the businesses to one location. Future growth is expected as benefits of its consolidated operations in Durban are unlocked and acquisitive earnings pay out for a full financial year.

Hirt & Carter Group business continues to grow market share and operates in a unique position in the SA retail and FMCG market. It has excellent prospects and is well-positioned to grow into the continent and into other global markets due to its diverse offering.

Tiso Blackstar is able to unlock significant value with the sale of its Media, Broadcast and Content businesses (excluding Gallo and the catalogue of indigenous films) and Africa Associates to Lebashe Investment Group Proprietary Limited ("Lebashe") for R1,050.0 million, ("The Transaction"), and will focus on further unlocking value in its remaining assets, especially in Kagiso Tiso Holdings Proprietary Limited ("KTH").

The Gallo Music group has turned a corner after years of structural and disruptive change in the industry and is expected to continue to grow with dedicated focus and a sustainable business model. Gallo is a highly valuable business given its vast owned music catalogue.

A KTH turnaround task committee was set up, of which I am a member, whose main objective is to unlock shareholder value. In addition to this, a turnaround specialist was appointed to execute the turnaround strategy. An optimised KTH will enhance its prospects and ultimately improve the Group's ability to sell its interest in KTH. Based on the progress made thus far, there is potential for KTH to return to paying dividends in 2020. KTH's underlying portfolio declined by 3.2% from R6.8 billion to R6.6 billion after the applicable holding company discounts.

Robor Proprietary Limited ("Robor") had its worst year in its 97-year history and remained constrained by trading losses due to sub-scale volumes going through its mill. Regrettably Robor's merger with MacSteel did not transpire as planned and on 19 September 2019 the Robor board and shareholders placed Robor into voluntary liquidation. The investment has been written down to nil and all related loans have been impaired.

While market conditions make it difficult to sell assets identified for potential sale, including KTH, it remains the Group's priority.

The sale of the Media, Broadcast and Content businesses and Africa Associates will allow management to dedicate more time and effort into developing and growing the remaining assets and unlock significant value for Tiso Blackstar shareholders.

The proceeds arising from the Transaction will be utilised to lower Group debt by more than two thirds and reduce the related financial risk that the debt servicing imposed on the Group. The stronger balance sheet will give the Group sufficient flexibility to execute its strategy.

[(1)] Tiso Blackstar's Trading Performance is calculated from profit before interest and tax after adding back depreciation, amortisation, straight lining of leases, share-based payment expenses and other gains/(losses). It therefore excludes items outside of the ordinary day-to-day activities. Please refer to note 10 of the provisional condensed consolidated financial statements for further detail.

Hirt & Carter Group

The Hirt & Carter Group consists of Hirt & Carter, Uniprint, Triumph, First Impression Labels and many other integrated brands. They deliver unique design, marketing, technology, data insights and execution services to the Retail and FMCG market.

Hirt & Carter Group underwent a significant restructure during the year, with the consolidation of its Durban-based operations into a single new facility. This consolidation will drive efficiencies through shared services and enhanced lean manufacturing and allow the Group to offer seamless, integrated solutions to customers.

In addition, the Group acquired First Impression Labels Proprietary Limited ("FIL"), effective March 2019, and consolidated it with Uniprint Labels, under the First Impression Labels brand. This consolidation and integration was completed at the end of June 2019.

Despite the undertaking of moving from five locations to one during the year, Hirt & Carter Group delivered a 17.5% growth in topline turnover to R2,246.4 million. All divisions grew turnover with the exception of the Packaging division which has undergone a restructure and market focus adjustment to create a more sustainable future for the business.

Hirt & Carter Group delivered an EBITDA of R286.0 million to end June 2019, which was marginally below the same period in the prior year. The group experienced margin squeeze of close to 3.9% because of the tough market conditions - mainly due to the inability to pass on some input cost increases to customers, inefficiencies as a result of the relocation process and pricing pressure from customers. In addition to this, the group had to outsource more production than normal to mitigate the effects of moving equipment whilst ensuring continuous delivery to customers. This affected the margin on this work for the period, and is considered to be a once-off event. Excluding abnormal costs incurred due to the relocation, operating expenses grew by 5.9% for the year.

The Hirt & Carter Group is now well placed to focus on the benefits of operating from an integrated site, with process improvement, efficiencies and better cost management being realised on an ongoing basis.

Outside of the opportunities that exist in South Africa and Africa, Hirt & Carter Group focus will be on global opportunities for its unique Retail Marketing Software Systems. The export of this integrated technology suite into mature markets will allow for offshore expansion, where it can offer a differentiated product and solution set.

Media, Broadcast and Content

The Media, Broadcast and Content businesses, which are being disposed of as part of the Transaction, performed very well by holding EBITDA at prior year levels, despite a drop of 6.4% in revenue and it being in one of the most challenging economic periods in South Africa's history.

Gallo showed pleasing growth in revenue of 6.4% in the year as new digital revenues outstripped declines in traditional physical sales. The music industry continues its recovery following a period of significant structural change and there are opportunities to build scale and grow the business further.

Financial Review

The Group had a difficult trading financial year, however the Group was still able to report 3.0% growth in Trading Performance and as previously mentioned, significant changes occurred during the year to date which will have a positive impact on the Group.

The Transaction is a fundamental input in the preparation of the consolidated annual financial statements for the current reporting period, impacting the valuation and classification of the assets and liabilities identified for sale with reference to the sales agreements in accordance with *IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations* ("IFRS 5"). At 30 June 2019 the assets and liabilities which are to be disposed of to Lebashe have been classified as non-current assets held for sale and liabilities associated with non-current assets held for sale respectively.

The debt and cash included in the businesses that are being sold have not been classified as held for sale as the structure of the Transaction results in these balances being settled utilising the proceeds received. The non-current assets held for sale are measured at the lower of carrying value and fair value less costs to sell. The results of the Media, Broadcast and Content businesses and Africa Associates are separately disclosed as discontinued operations with the prior period being reclassified accordingly.

Consolidated Steel Industries Proprietary Limited ("CSI") is also included as a discontinued operation to date of sale in November 2018 and non-current assets held for sale and liabilities associated with non-current assets held for sale in the prior period comprise the CSI disposal group.

Both KTH and Robor interests are no longer accounted for as non-current assets held for sale but rather equity accounted as investments in associates and included in continuing operations, with comparatives being amended.

The composition of Tiso Blackstar's loss for the year of R547.8 million is relevant in understanding the Group's Trading Performance and the financial impact of the significant events which took place during the current year.

	Reviewed Year ended 30 June 2019 R'000	Restated* Audited Year ended 30 June 2018 R'000	Movement 30 June 2019 R'000
Trading Performance	415,769	403,674	12,095
Depreciation, amortisation, share based payment expense, and straight lining of leases	(229,984)	(211,745)	(18,239)
Other (losses)/gains	(443,312)	(191,558)	(251,754)
- Impairment of loans to Robor and Robor related loans	(68,303)	-	(68,303)
- Loss on remeasurement to fair value less costs to sell – Africa Associates disposal group	(154,760)	-	(154,760)
- Loss on remeasurement to fair value less costs to sell – Media, Broadcast and Content disposal groups	(59,269)	-	(59,269)
- Fair value loss on contingent consideration owing on acquisition of BBS	(46,483)	-	(46,483)
- Non-recurring costs incurred on relocation of Hirt & Carter Group	(46,882)	-	(46,882)
- Realised losses on disposal of subsidiaries	(16,400)	(2,099)	(14,301)
- Losses in respect of CSI (disposed of in the current year)	(27,348)	(178,771)	151,423
- Other	(23,867)	(10,688)	(13,179)
Net finance costs	(167,558)	(220,653)	53,095
Share of (loss)/profit and net impairments of associates - equity accounted	(132,739)	(97,561)	(35,178)
- Share of loss of associate – Robor	(133,578)	(11,666)	(121,912)
- Impairment of associate – Robor	(4,017)	-	(4,017)
- Share of (loss)/profit of associate – KTH	(18,038)	169,071	(187,109)
- Reversal of impairment/(impairment) of associate – KTH	7,935	(265,603)	273,538
- Other	14,959	10,637	4,322
Taxation	10,042	(60,788)	70,830
Loss for the year	**(547,782)**	**(378,631)**	**(169,151)**

*Restated 30 June 2018 reported figures in accordance with IFRS 5

The Trading Performance of the Group has increased by 3.0% from the prior year, which is commendable considering the difficult trading economic conditions. However this solid trading did not translate into profits mainly due to the significant other losses incurred during the year which mainly comprised the following:

- Loan receivables owing by Robor of R68.3 million have been written off;
- Impairments recognised to carry the discontinued operations at fair value less costs to sell in accordance with IFRS 5, include R154.8 million and R59.3 million in respect of the Africa Associates and Media, Broadcast and Content businesses respectively;
- An adjustment to the contingent consideration owing on the acquisition of the Group's interest in Bothma Branding Solutions Proprietary Limited ("BBS") of R46.5 million;
- Once-off costs relating to the relocation of the various operations of the Hirt & Carter Group to one facility of R46.9 million; and
- Realised loss arising on disposal of subsidiary Smartcall Technology Solutions Proprietary Limited ("STS") of R16.4 million and losses of R27.3 million in respect of CSI which was disposed of during the current year.

Also impacting the current year's results was the write down of the investment in associate Robor to nil at 30 June 2019 through equity accounted losses of R133.6 million and an impairment of R4.0 million. A reversal of impairment on the associate KTH of R7.9 million was recognised based on the change in the intrinsic net asset value of the underlying investments after taking into consideration the equity accounted income and reserves of KTH.

With reference to the provisional condensed consolidated statement of profit and loss and other comprehensive income, revenue from continuing operations declined by 22.8% to R2,362.3 million. The movement includes a 17.5% increase in Hirt & Carter Group revenue of R335.2 million which was mainly from growing the current revenue streams and additional revenue coming from the acquisition of FIL. However this was off-set by a R1,002.7 million decline in respect of Robor, whose revenue was only included in the prior year until December 2017 when Tiso Blackstar disposed of a 3.4% interest in Robor, resulting in loss of control and therefore no further consolidation of Robor's results.

The net loss from continuing operations amounted to R133.1 million which was significantly impacted by other losses of R187.3 million mainly comprising relocation costs, Robor loan impairments and BBS contingent consideration adjustment as discussed above. Finance costs decreased due to the R65.5 million reduction in borrowings from the prior year.

The loss from discontinued operations, net of taxation, of R104.1 million mainly includes the loss on re-measurement to fair value less costs to sell on the disposal groups previously mentioned.

The decline in net asset value attributable to the equity holders of the parent of R568.5 million arises as a result of the loss for the year. Movement in assets and liabilities were impacted by reclassifications of disposal groups to non-current assets held for sale.

During the current reporting period, 3,445,859 new shares and 2,664,950 treasury shares were issued under the long-term Management Incentive Scheme, a Forfeitable Share Plan ("FSP"). For accounting purposes, shares issued under the FSP are not considered as issued.

Dividends

Tiso Blackstar did not declare a dividend in light of its current gearing levels. The board envisages that post the conclusion of the Transaction, further profitable trading in the upcoming year, and the possibility of other capital cash inflows would result in an improved financial position and therefore allow the Company to resume dividend declarations.

Previous directors

It is with sadness that we note the passing of Wolfgang Baertz who was a non-executive director of the Company for 8 years.

Events after reporting date

As mentioned above, in June 2019 the Group entered into an agreement for the disposal of its South African Media, Broadcasting and Content businesses (excluding Gallo and the catalogue of indigenous films), ("TBG SA Group"), its radio assets in South Africa ("SA Radio"), and its media, broadcast and content businesses in Ghana, Nigeria and Kenya ("Africa Radio"), to Lebashe Investment Group Proprietary Limited ("Lebashe") for R1,050.0 million, ("The Transaction").

A circular to shareholders ('Circular') detailing the Transaction and convening an Extraordinary General Meeting of the Company's shareholders on 23 October 2019 ("Extraordinary General Meeting") was distributed on 20 September 2019.

The board is confident that the outstanding conditions precedent for the Transaction will be successfully met, including shareholder approval at the Extraordinary General Meeting of shareholders. The Transaction is in the final stages of completion and the board believes that at the date of this announcement, the TBG SA Group sale for R800.0 million and Africa Radio sale for R200.0 million, will be successfully concluded during the month of November 2019. It is anticipated that the SA Radio sale will be completed and proceeds of R50.0 million received in April 2020 once the sale has been unconditionally approved by ICASA.

As referred to in the Circular, the Transaction will result in certain amendments to the Group's FSP, being the Company's existing long-term incentive scheme. This includes the Remuneration Committee's decision to cancel the FSP following the disposal of the TBG SA Group, changes to the vesting of FSP awards under the FSP Rules for staff employed by the businesses being disposed of ("Media Participants") and an elective cash bonus being awarded to the Media Participants to compensate them for the early exit of the FSP and to ensure retention of key staff. In addition to this, the Circular details a possible repurchase of the vested FSP shares from the Media Participants should they elect to ("Specific Repurchase") and a proposed amendment to the FSP rules to extend the vesting conditions for the forfeitable shares already in issue to remaining participants, both of which are subject to shareholder approval at the Extraordinary General Meeting.

The Circular also includes a resolution for shareholder approval for the reduction of the Company's share premium account by way of a capital reduction ("Capital Reduction"), so that it can be converted to distributable reserves which would then ensure that the Company has sufficient distributable reserves as required by the UK Companies Act to implement the Specific Repurchase.

Post year-end, management entered into an agreement whereby the contingent consideration due to the previous shareholders of BBS has been reduced by R13.0 million to R55.0 million, payable in three tranches and conditional on the profit before taxation audited June 2019 financial statements equalling or exceeding management accounts.

As noted above, the Group's associate Robor was placed into liquidation in September 2019.

Outlook

Following the successful conclusion of the sale of the Media, Broadcast and Content business and Africa Associates, the Company will have a highly focused approach on two key strategic priorities: development and growth of Hirt & Carter Group and unlocking the value in other assets which mainly comprises KTH.

Hirt & Carter Group, has significant upside potential both from a product and geographical perspective, while substantial time will also be spent developing the potential for strong growth in Gallo.

After utilising the Media, Broadcast and Content business, and Africa Associates sales proceeds to reduce the existing debt, the Group expects to have borrowings of between R300.0 million and R350.0 million and asset based financing of approximately R186.0 million remaining by November 2019. Total debt will be comfortably serviced by the Group's remaining businesses. The strengthening of the Tiso Blackstar balance sheet as a result of the Transaction will be highly beneficial and presents an opportunity for management and board to take a longer-term view around the future direction of the Company.

The current strategy has the following key performance drivers:

Short term

- Conclude final steps of sale of Media, Broadcast and Content business and Africa Associates;
- Focus on ensuring an ideal structure for a more streamlined business;
- Deliver on integration and acquisitions in Hirt & Carter Group to further improve earnings;
- Focus on unlocking value in KTH; and

Build on the gains in Gallo as music industry growth continues.

Medium term

- Sale of certain assets as soon as market conditions allow, especially KTH;
- Hirt & Carter Group to capitalise on opportunities globally for its unique Retail Marketing Software Systems;
- Develop Gallo further into SA and African market leader and pursue a sale thereafter; and
- Seek consolidation opportunities in existing businesses.

Long Term

- Deliver strong shareholder returns off the reset asset base; and
- Consider high value strategic opportunities to further improve earnings and create long term value.

The significant nature of the Transaction has necessitated a re-evaluation of whether the Group's current accounting policies remain appropriate given the Group's change in circumstances specifically arising as a result of the Transaction, current economic conditions, the Group's current operating approach and the board's reassessment of the Group's strategy. As a result, the board is currently investigating whether it would be more appropriate that the Company is considered to be an investment entity which would necessitate a change in accounting policies from consolidation to holding investments at fair value.

The board is cognisant of the discrepancy between the underlying value of its businesses and the Company's share price, however there are many similar cases of listed South African business trading below their intrinsic value. The board will continue to assess this discrepancy and consider changes to strategy should it deem it necessary.

The Company has had a highly active and eventful year, including delivering operationally despite extremely difficult trading conditions, executing the sale of the Media, Broadcast and Content businesses and the Africa Associates, consolidating acquisitions made by Hirt & Carter Group and settling all the divisions into a single facility in Cornubia.

I would like to thank the board and my executive management teams for their efforts in ensuring delivery on all these fronts on schedule and ahead of expectations.

On behalf of the board

AD Bonamour
Chief Executive Officer

Provisional condensed consolidated statements of profit and loss and other comprehensive income
for the year ended 30 June 2019

	Notes	Reviewed Year ended 30 June 2019 R'000	Restated * Audited Year ended 30 June 2018 R'000
Continuing operations			
Revenue	2	**2,362,296**	3,059,575
Net (loss)/profit	3	**(133,054)**	80,095
Net finance costs		**(146,113)**	(171,759)
Finance income		**4,464**	4,569
Finance costs		**(150,577)**	(176,328)
Share of (loss)/profit of associates - equity accounted	4	**(150,689)**	159,570
Reversal of impairment/(impairment) of associates - equity accounted	4	**3,917**	(265,603)
Loss before taxation		**(425,939)**	(197,697)
Taxation		**(17,754)**	(41,073)
Loss from continuing operations		**(443,693)**	(238,770)
Loss from discontinued operations, net of taxation	5.6	**(104,089)**	(139,861)
Loss for the year		**(547,782)**	(378,631)
Other comprehensive (loss)/income, net of taxation		**(33,674)**	4,354
Items that may subsequently be reclassified to profit and loss:			
Currency translation differences on the translation of foreign operations		**(4,955)**	(1,805)
Other comprehensive (loss)/income of equity accounted associates		**(33,409)**	1,589
Items subsequently reclassified to profit and loss:			
Reclassification of foreign currency translation reserve on disposal of subsidiary		**11,644**	-
Items that will not subsequently be reclassified to profit and loss:			
Actuarial (loss)/gains on Post-retirement medical aid ("PRMA")		**(1,784)**	2,252
Other comprehensive (loss)/income of equity accounted associates		**(5,170)**	2,318
Total comprehensive loss for the year		**(581,456)**	(374,277)
Loss for the year attributable to:			
Equity holders of the parent		**(560,242)**	(378,931)
Non-controlling interests		**12,460**	300
		(547,782)	(378,631)
Other comprehensive (loss)/income, net of taxation attributable to:			
Equity holders of the parent		**(33,674)**	3,777
Non-controlling interests		**-**	577
		(33,674)	4,354
Total comprehensive loss for the year attributable to:			
Equity holders of the parent		**(593,916)**	(375,154)
Non-controlling interests		**12,460**	877
		(581,456)	(374,277)
Basic loss per ordinary share (in cents) attributable to equity holders	6	**(213.07)**	(142.96)
Diluted loss per ordinary share (in cents) attributable to equity holders	6	**(206.52)**	(140.55)
Basic loss per ordinary share (in cents) attributable to equity holders from continuing operations	6	**(176.34)**	(89.93)
Diluted loss per ordinary share (in cents) attributable to equity holders from continuing operations	6	**(170.92)**	(88.41)

* Refer note 1.4

Provisional condensed consolidated statements of financial position

as at 30 June 2019
Company number: SE 000110

	Notes	Reviewed Year ended 30 June 2019 R'000	Restated* Audited Year ended 30 June 2018 R'000
ASSETS			
Non-current assets		**2,907,450**	4,291,128
Property, plant and equipment		**340,287**	376,147
Goodwill	7	**661,098**	1,080,696
Intangible assets		**758,862**	1,175,147
Investment in associates - equity accounted	4	**1,054,640**	1,587,231
Other investments, loans and receivables		**25,600**	18,173
Straight lining of lease assets		**-**	15
Deferred taxation assets		**66,963**	53,719
Current assets		**858,278**	1,505,846
Inventories		**175,236**	241,730
Straight lining of lease assets		**-**	2,462
Trade and other receivables		**535,448**	847,360
Current taxation		**12,264**	19,798
Cash and cash equivalents	8	**135,330**	394,496
Non-current assets held for sale	5	**1,491,794**	1,048,697
TOTAL ASSETS		**5,257,522**	6,845,671
EQUITY AND LIABILITIES			
Capital and reserves attributable to the Group's equity holders		**2,333,263**	2,901,794
Share capital and premium		**3,255,248**	3,255,248
Other reserves		**30,818**	32,036
Foreign currency translation reserve		**(73,222)**	(66,099)
Accumulated losses		**(879,581)**	(319,391)
Non-controlling interests		**38,509**	35,962
TOTAL EQUITY		**2,371,772**	2,937,756
LIABILITIES			
Non-current liabilities		**1,175,626**	1,412,276
Borrowings		**748,279**	909,874
Straight lining of lease liabilities		**22,069**	24,914
Other financial liabilities		**6,787**	6,397
Finance lease and instalment sale obligations		**129,799**	123,610
Post-retirement benefits liabilities		**-**	25,359
Provisions		**4,138**	5,734
Deferred taxation liabilities		**264,554**	316,388
Current liabilities		**1,223,060**	1,446,942
Borrowings		**187,101**	90,967
Straight lining of lease liabilities		**616**	2
Other financial liabilities		**171,422**	32,183
Finance lease and instalment sale obligations		**42,099**	50,259
Post-retirement benefits		**-**	4,506
Provisions		**28,164**	60,520
Trade and other payables		**512,561**	895,840
Current taxation		**8,295**	27,103
Bank overdrafts and other short-term borrowing facilities	8	**272,802**	285,562
Non-current liabilities associated with non-current assets held for sale	5	**487,064**	1,048,697
TOTAL LIABILITIES		**2,885,750**	3,907,915
TOTAL EQUITY AND LIABILITIES		**5,257,522**	6,845,671

* Refer note 1.4

The provisional condensed consolidated financial statements were approved by the Tiso Blackstar Board and authorised for issue on 21 October 2019.

AD Bonamour
Chief Executive Officer

DKT Adomakoh
Non-executive Chairman

Provisional condensed consolidated statements of changes in equity
for the year ended 30 June 2019

	Reviewed Year ended 30 June 2019 R'000	Restated* Audited Year ended 30 June 2018 R'000
Previously reported balance	**3,111,973**	3,568,894
Effects of reclassifications and amendments*	**(174,217)**	(65,852)
Reclassified and amended balance	**2,937,756**	3,503,042
Changes in reserves:		
Total comprehensive loss for the year	**(593,916)**	-
Reclassified and amended total comprehensive loss for the year	**-**	(375,154)
Previously reported balance	**-**	(266,790)
Effects of reclassifications and amendments*	**-**	(108,364)
FSP share based payment expense	**26,080**	9,456
Tax charge on FSP share based payment expense recognised directly in equity	**593**	2,558
Arising on change in holding in a subsidiary	**-**	(8,542)
On deregistration of a business	**51**	-
Purchase of treasury shares	**(1,339)**	(9,772)
Equity loan from non-controlling interests	**-**	(16,486)
Dividends paid	**-**	(12,545)
Changes in non-controlling interests:		
Total comprehensive income for the year	**12,460**	877
Arising on change in holding in a subsidiary	**-**	8,542
On disposal of subsidiary	**(3,091)**	-
On acquisition of subsidiary	**-**	5,913
Equity loan from non-controlling interests	**5,500**	16,848
Loss of control in Robor	**-**	(177,113)
Dividends paid to non-controlling interests	**(12,322)**	(9,868)
Balance at the end of the year	**2,371,772**	2,937,756
Previously reported balance		3,111,973
Effects of reclassifications and amendments*		(174,217)

* Refer note 1.4

Provisional condensed consolidated statements of cashflows
for the year ended 30 June 2019

	Notes	**Reviewed Year ended 30 June 2019 R'000**	Restated* Audited Year ended 30 June 2018 R'000
Cash flows from operating activities			
Cash generated by operations		**185,505**	366,555
Dividend income received from investments		**4,632**	5,321
Net finance costs paid		**(166,140)**	(220,267)
Net taxation paid		**(45,330)**	(61,795)
Net cash (utilised)/generated by operating activities		**(21,333)**	89,814
Cash flows from investing activities			
Acquisition of property, plant and equipment		**(97,246)**	(130,839)
Proceeds on disposal of property, plant and equipment		**40,718**	10,728
Additions to intangible assets		**(32,966)**	(40,902)
Proceeds on disposal of intangible assets		**600**	25,003
Acquisitions of associates		**(7)**	(3,108)
Proceeds on disposal of an associate		**2,580**	3,967
Proceeds on disposal of KTH		-	197,940
Additions to loans and receivables		**(104,458)**	-
Repayments of loans and receivables		**20,000**	344
Proceeds on disposal of investments		**985**	5,796
Acquisition of subsidiaries	9	**(75,195)**	(13,887)
Disposal of subsidiaries	9	**345,569**	1,728
Loss of control in Robor		**-**	431,145
Net cash generated by investing activities		**100,580**	487,915
Cash flows from financing activities			
Borrowings, finance leases, instalment sale obligations and other financial liabilities raised		**291,333**	322,407
Borrowings, finance leases, instalment sale obligations and other financial liabilities repaid		**(249,771)**	(406,172)
Purchase of treasury shares		**(1,339)**	(9,772)
Equity loan from non-controlling interests		**5,500**	-
Dividends paid		**-**	(12,545)
Dividends paid to non-controlling interests		**(12,708)**	(9,440)
Net cash generated/(utilised) by financing activities		**33,015**	(115,522)
Net increase in cash and cash equivalents		**112,262**	462,207
Cash and cash equivalents at the beginning of the year		**(249,734)**	(711,941)
Cash and cash equivalents at the end of the year	8	**(137,472)**	(249,734)

* Refer note 1.4

Notes to the provisional condensed consolidated financial statements
for the year ended 30 June 2019

1. Basis of preparation

The provisional condensed consolidated financial statements for the year ended 30 June 2019 have been prepared in compliance with the Listings Requirements of the JSE Limited, the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") as endorsed for use by the European Union ("EU IFRS") and IFRS as issued by the IASB ("IFRS"), SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by the Financial Reporting Standards Council, and includes, at a minimum, information required by *IAS 34 Interim Financial Reporting* and the JSE Listings Requirements. These provisional condensed consolidated financial statements were compiled under the supervision of Sheenagh Grota (CA)SA, Group Financial Officer.

The financial information for the year ended 30 June 2019 does not constitute statutory accounts as defined in sections 435(1) and 435(2) of the UK Companies Act 2006 ("UK Companies Act") but has been derived from those accounts. Statutory accounts for the year ended 30 June 2019 will be delivered to the Companies House in the UK following the Company's Annual General Meeting ("AGM"). Further information relating to the AGM will be provided to shareholders in a further announcement.

The directors take full responsibility for the preparation of the provisional condensed consolidated financial statements.

The provisional condensed consolidated financial statements have been prepared on the historical cost basis, except for financial assets and financial liabilities held at fair value through profit and loss, and non-current assets held for sale, which have been measured at fair value.

The same accounting policies and methods of computation used in the preparation of these results are in accordance with IFRS and are consistent in all material respects with those used in the audited Integrated Annual Report for the year ended 30 June 2018, except for the adoption of *IFRS 9 Financial Instruments* and *IFRS 15 Revenue from Contracts with Customers*, refer to note 1.3 for further details.

Comparatives have been restated for amendments relating to discontinued operations and non-current assets held-for-sale (refer notes 1.4 and 1.5).

Deloitte and Touche have issued an unmodified review conclusion on the provisional condensed consolidated financial statements. A copy of their review report on the provisional condensed consolidated financial statements are available for inspection at the Company's registered office. The unmodified review report includes an emphasis of matter to draw the users' attention to note 5.1 of this announcement. Any reference to future financial performance included in this announcement has not been audited or reviewed and reported on by the Group's external auditors and is the responsibility of the directors. The auditor's report does not necessarily report on all of the information contained in this announcement. 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 together with the accompanying financial information from the Company's registered office.

The information presented in the notes below represent audited results for 30 June 2018 and reviewed results for 30 June 2019.

1.1 Going concern

The Tiso Blackstar board ("board") has reviewed the working capital requirements of the Group along with the Group's funding requirements, from the date of approval of the provisional condensed consolidated financial statements, and has concluded that the Group has adequate resources to continue into the foreseeable future as a going concern.

In coming to this conclusion, the board performed a detailed review of the Group's liquidity and solvency position at the reporting date taking into account all possible future cash flows and scenarios.

A combination of factors have led to the change in the Group's liquidity position from that previously reported in the Integrated Annual Report for the year ended 30 June 2018.

In June 2019 the Group entered into an agreement for the disposal of its South African Media, Broadcasting and Content businesses (excluding Gallo and the catalogue of indigenous films), ("TBG SA Group"), its radio assets in South Africa ("SA Radio"), and its media, broadcast and content businesses in Ghana, Nigeria and Kenya ("Africa Radio"), to Lebashe Investment Group Proprietary Limited ("Lebashe") for R1,050.0 million, ("The Transaction").

Notes to the provisional condensed consolidated financial statements (continued)
for the year ended 30 June 2019

1. Basis of preparation (continued)

1.1 Going concern (continued)

The Transaction has had a fundamental impact on the preparation of the provisional condensed consolidated financial statements and an assessment of the Group going forward and its future cash flows. As detailed in note 5, the Transaction is in the final stages of completion and the board believes that at the date of this announcement, the disposal of the TBG SA Group for R800.0 million in cash net of debt and the sale of Africa Radio for R200.0 million will be successfully concluded during the month of November 2019. It is anticipated that the SA Radio sale will be completed and proceeds of R50.0 million received in April 2020 once ICASA approval of the sale has been obtained. The board is confident that the outstanding conditions precedent will be successfully met within the afore-mentioned timeframes.

The board have therefore taken into consideration the impact of the Transaction in their review of cash flows to October 2020 and the Group's ability to continue as a going concern.

The Group had a cash position net of overdrafts of R137.5 million and had fully utilised the available facilities at 30 June 2019, with its total current assets of R2,350.1 million (including non-current assets held for sale of R1,491.8 million) exceeding its total current liabilities of R1,710.1 million (including non-current liabilities associated with assets held for sale of R487.1 million).

It was further reported in the current year that Tiso Blackstar could not come to reasonable sale terms for its Kagiso Tiso Holdings Proprietary Limited ("KTH") interest with other KTH shareholders, both in terms of value and an appropriate amount of cash. As a result, the board, after assessing the impact on the Group's liquidity position, determined that the most responsible approach would be to continue to hold onto the investment and ultimately to dispose of it when a price reflective of its true value can be realised. The debt outstanding relating to the KTH acquisition amounted to R98.4 million at 30 June 2019 and is due and payable on 31 December 2019.

Consequently in determining the cash flows to October 2020 the following key considerations were taken into account:

- the anticipated cash inflows arising on the successful conclusion of the Transaction being the proceeds of R1,050.0 million;
- the trading profits and cash flow to be generated by the existing continuing businesses (which mainly comprise of the Hirt & Carter Group);
- using the proceeds arising from the Transaction to settle in full the debt and bank overdrafts relating to the sold businesses as well as any costs of the Transaction;
- the further utilisation of the remaining proceeds from the Transaction to fully settle the debt relating to the KTH acquisition, to reduce any bank overdrafts held by the remaining Group, and a voluntary reduction of debt held by Hirt & Carter Group to appropriate levels;
- any other anticipated capital related cash inflows;
- the cash outflows to meet the Group's ongoing obligations with regards to the existing debt and financing facilities currently in place at the end of the reporting period; and
- the cash outflows relating to the acquisition of First Impression Labels Proprietary Limited ("FIL").

The forecast of the Group's cash flows (including the businesses to be sold as part of the Transaction) were also reviewed by the board. Detailed sensitivity analyses and "scenario modelling" were performed at various points in time. These calculations included: assessing the impact of a change in forecasts of cash flows from trading operations; the likelihood of the capital cash inflows and the impact of a change in timing or amount of each of these inflows; the likelihood of existing guarantees being called upon; and the availability of existing banking facilities. Given the degree of sensitivity to the timing of the cash flows, the banking covenants were also considered for all scenarios to assess the impact thereof and the possibility of any breaches arising in the next twelve months. The board concluded that it was satisfied that the Group would have adequate resources to continue into the foreseeable future as a going concern without taking into consideration the impact of the Transaction.

Based on the above factors and the likelihood of the Transaction, the board is not aware of any material uncertainties which may cast significant doubt over the Group's ability to continue as a going concern for at least the next 12 months from the date of approval of the provisional condensed consolidated financial statements.

Notes to the provisional condensed consolidated financial statements (continued)
for the year ended 30 June 2019

1. Basis of preparation (continued)

1.2 Foreign currencies

The functional currency of the Company is South African Rands, being the currency of the primary economic environment in which the Company and its subsidiaries operate.

1.3 New standards and interpretations

1.3.1 IFRS standards that became effective during the year

IFRS 9 Financial Instruments and *IFRS 15 Revenue from Contracts with Customers* became effective for the Group during the current financial year. The Group has elected not to restate the comparatives but rather recognise the cumulative effect of applying the new standards in equity at the date of initial application, in accordance with IFRS 9 par 7.2.15 and IFRS 15 par C3(b). Management performed an assessment on transition of the new standards and no quantitatively material adjustments were identified, as such no restatement to comparatives and no adjustment to opening retained earnings are required.

The Group's revised policy regarding financial instruments and revenue are summarised below:

IFRS 9 - Financial Instruments
Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments and are initially measured at fair value.

Classification and subsequent measurement
The following is the Group’s new accounting policy for financial instruments under IFRS 9:
- at fair value through profit or loss (“FVTPL”);
- at fair value through other comprehensive income (“FVTOCI”); or
- at amortised cost.

Financial assets are classified on the basis of the Group’s business model for managing the financial asset and the related cash flow characteristics.

The Group will hold financial assets at fair value through profit and loss when:
i. they are acquired principally for the purpose of generating a cash profit from short-term fluctuations in price through selling and repurchasing in the short-term or;
ii. when it is the Group’s intention to monitor the performance of these assets on a fair value basis.

Effective interest method
The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or expense over the period of the instrument. Effectively, this method determines the rate that exactly discounts the estimated future cash payments or receipts (excluding expected credit losses) through the expected life of the financial instrument or, if appropriate, a shorter period, to the net carrying amount of the financial asset or liability.

Impairment of financial assets
IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' ("ECL") model. The new impairment model will only apply to trade and other receivables. The loss allowance for trade and other receivables will always be measured at an amount equal to lifetime ECLs as required by IFRS 9. The ECL for trade and other receivables is measured using a provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of credit risk conditions at the reporting date. Trade receivables do not have a significant financing component and therefore the loss allowance will always be measured at an amount equal to the lifetime ECL.

Notes to the provisional condensed consolidated financial statements (continued)
for the year ended 30 June 2019

1. Basis of preparation (continued)

1.3 New standards and interpretations (continued)

1.3.1 IFRS standards that became effective during the year (continued)

Derecognition of financial assets
The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

IFRS 15 - Revenue from Contracts with Customers
The Group recognises revenue from contracts with customers as it satisfies a performance obligation by delivering the promised goods or services to the customer. The amount of revenue recognised is the transaction price allocated to that performance obligation that at least compensates the Group for the performance completed and to which it is entitled. A significant portion of the Group's revenue is derived from contracts with customers in which the transfer of control coincides with the fulfilment of performance obligations.

1.3.2 IFRS standards not yet adopted

A number of new standards, amendments to standards and interpretations considered to be relevant to the operations of the Group, but which are not yet effective for the year ended 30 June 2019, and have not been applied in preparing these provisional condensed consolidated financial statements. These are to be applied to financial statements with periods commencing on or after the following dates:

	Effective date
Standard and Interpretations	01 January 2019
IAS 19 Employee benefits	01 January 2019
Annual Improvements to IFRS Standards 2015–2017 Cycle	01 January 2019

IFRS 16 Leases

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ("lessee") and the supplier ("lessor"). IFRS 16 replaces the previous leases Standard, *IAS 17 Leases*, and related interpretations. IFRS 16 has one model for lessees which will result in almost all leases being recorded on the statement of financial position. No significant changes have been included for lessors. The Group does not intend on early adopting IFRS 16. IFRS 16 will be adopted for the Group for the year ending 30 June 2020. Under the previous guidance in *IAS 17 Leases*, a lessee had to make a distinction between a finance lease (on the statement of financial position) and an operating lease (off the statement of financial position). The new standard requires the lessee to recognise all lease contracts on the statement of financial position. The only optional exemptions are for certain short-term leases and leases of low-value assets.

The Group will not be applying the recognition and measurement requirements of IFRS 16 to short-term leases less than 12 months and low-value leases.

The Group has elected to apply the modified retrospective approach on transition. The effect of the transition to IFRS 16 will be that the right of use asset will equal the lease liability, with the exception of the adjustment for the lease smoothing liability. The cumulative effect on transition to IFRS 16 will be recognised in retained earnings at 1 July 2019 and is not expected to be material. Figures from the comparative period will not be restated.

Notes to the provisional condensed consolidated financial statements (continued)
for the year ended 30 June 2019

1. Basis of preparation (continued)

1.3 New standards and interpretations (continued)

1.3.2 IFRS standards not yet adopted (continued)

The Group considered the effects of implementing IFRS 16 and assessed that the new standard would have had the following effects on its core operations during the current year.

Statement of financial position effect (excluding impact on non-current assets held for sale) if IFRS 16 had been in effect in the current year:

	R'000
The recognition of right of use assets	644,696
The recognition of lease liabilities	(680,676)
The recognition of lease payments	70,157
Net impact on the statement of financial position	**34,177**

Statement of profit and loss and other comprehensive income effect on continuing operations if IFRS 16 had been in effect in the current year:

	R'000
The derecognition current lease rental expenses	(70,157)
The recognition of additional depreciation	49,570
The recognition of additional interest	72,657
The derecognition of the straight lining of leases expense	(22,149)
Net impact on the statement of profit or loss and other comprehensive income	**29,921**

IAS 19
Amendments have been made to the following terms: plan amendment, curtailment or settlement.

If a plan amendment, curtailment or settlement occurs, it is now mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

The Group has reviewed its PRMA and has confirmed that these amendments will not have an impact on the Group's financial results.

1.4 Restatement of comparative period

The following restatements were made to the comparative period:

- Reclassification in terms of IFRS 5 as a result of the Group entering into an agreement to dispose of TBG SA, SA Radio and Africa Radio (refer note 5.1);
- Amendments in terms of IFRS 5 and IAS 28 in respect of the Group's investments in Robor and KTH as a result of certain events which impacted the Group's ability to dispose of these investments (refer note 5.2); and
- Reclassification of the Bothma Branding Solutions ("BBS") contingent consideration from trade payables to other financial liabilities.

1.5 Restructure of the statements of profit and loss and other comprehensive income

The statements of profit and loss and other comprehensive income was restructured in the current reporting period. This was done in an attempt to declutter the financial statements after taking into consideration the impact of the significant changes in the Group, including the Transaction, and the nature of the remaining businesses post the disposal.

Notes to the provisional condensed consolidated financial statements (continued)
for the year ended 30 June 2019

2. Revenue

The Group derives its revenue from contracts with customers for the transfer of goods and services, over time and at a point in time, from the following major revenue streams. This is consistent with the revenue information that is disclosed for each reportable segment.

Disaggregation of revenue by major category:

	Reviewed Year ended 30 June 2019 R'000	Restated* Audited Year ended 30 June 2018 R'000
Design	**96,033**	87,476
Printing	**2,086,508**	1,769,757
Storage/warehousing	**8,179**	8,286
Software solutions	**12,804**	12,223
Digital marketing solutions	**11,812**	13,690
Imaging & photography	**4,627**	2,687
Digital asset management	**26,396**	16,994
Distribution income from the sale of published material	**67,258**	65,583
Film distribution	**4,190**	3,286
Music sales	**15,357**	13,596
Royalty income	**22,103**	21,626
Other	**4,950**	3,359
Sold and discontinued during the year^	**2,079**	1,041,012
	2,362,296	**3,059,575**

* Refer note 1.4

^ On disposal of 3.4% interest in Robor in the prior year, there was a step-down from subsidiary to associate. Revenue from the sale of steel products in Robor has been included for the first six months of the 2018 financial year up to date of sale. In the current year, revenue earned by STS has been included for the period the company was still a subsidiary of the Group. STS earns its revenue through offering technology solutions.

Disaggregation of revenue by timing of revenue recognition:

	Reviewed Year ended 30 June 2019 R'000	Restated* Audited Year ended 30 June 2018 R'000
Revenue recognised at a point in time	**2,281,002**	2,986,756
Revenue recognised over time	**81,294**	72,819
	2,362,296	3,059,575

* Refer note 1.4

The Group does not enter into arrangements with deferred payment terms that exceed twelve months, therefore there is no significant financing component accounted for.

The Group applies the practical expedient approach which allows revenue to be recognised in line with the value of the Group's performance completed to date.

Notes to the provisional condensed consolidated financial statements (continued)
for the year ended 30 June 2019

3. Net (loss)/profit

Net (loss)/profit for the year from continuing operations is arrived at after taking into account the following:

	Reviewed Year ended 30 June 2019 R'000	Restated* Audited Year ended 30 June 2018 R'000
Depreciation, amortisation and straight lining of leases		
Depreciation	**(72,253)**	(79,927)
Amortisation	**(51,024)**	(24,176)
Straight lining of leases	**(12,234)**	(6,856)
Impairments (raised)/reversed		
Impairments arising on trade receivables	**(7,988)**	(3,844)
Bad debts recovered	**634**	7,883
Impairments of property, plant and equipment	**(197)**	-
Impairments of intangible assets	**(9,493)**	(761)
Other (losses)/gains:		
Non-recurring costs incurred on relocation of the Hirt & Carter Group	**(46,882)**	-
Fair value loss on contingent consideration owing on acquisition of subsidiary	**(46,483)**	-
Profit on disposal of intangible assets	**-**	25,000
(Loss)/Profit on disposal of property, plant and equipment	**(479)**	553
Impairment of loans to associates and other loans and receivables	**(68,303)**	-
Gain on loss of control in Robor	**-**	5,821
Loss on part disposal of KTH	**-**	(44,963)
Losses relating to disposal of subsidiaries/businesses	**(16,400)**	(2,099)

* Refer note 1.4

4. Investment in associates

Investment in associates comprises the following:

	Reviewed Year ended 30 June 2019 R'000	Restated* Audited Year ended 30 June 2018 R'000
Investment in associates - equity accounted	**1,054,640**	**1,587,231**
Non-current assets held for sale	**202,206**	**-**
	1,256,846	**1,587,231**

* Refer note 1.4

Notes to the provisional condensed consolidated financial statements (continued)
for the year ended 30 June 2019

4. Investment in associates (continued)

Reconciliation of the carrying amount of the investment in associates is as follows:

	Robor [(1)]	KTH [(2)(3)]	Africa Associates [(4)]	Other	Total
	R'000	R'000	R'000	R'000	R'000
Balance as at 1 July 2017	-	1,434,148	334,670	11,491	1,780,309
Previously reported balance	-	1,500,000	334,670	11,491	1,846,161
Effects of restatements*	-	(65,852)	-	-	(65,852)
Additions	-	-	-	3,108	3,108
Proceeds on disposal	-	(197,940)	-	(3,967)	(201,907)
(Loss)/Gain on disposal	-	(44,963)	-	187	(44,776)
Share of (loss)/profit of associates from continuing operations	(11,666)	169,071	-	2,165	159,570
Share of profit of associates from discontinued operations	-	-	10,902	1,921	12,823
Impairment of investment from continuing operations	-	(265,603)	-	-	(265,603)
Impairment of investment from discontinued operations	-	-	-	(4,351)	(4,351)
Dividends received	-	-	-	(5,109)	(5,109)
Movement in reserves	-	(5,393)	-	-	(5,393)
Currency translation differences on the translation of foreign associates	-	-	9,300	(1)	9,299
Loss of control of Robor	149,261	-	-	-	149,261
Balance as at 30 June 2018	137,595	1,089,320	354,872	5,444	1,587,231

Notes to the provisional condensed consolidated financial statements (continued)
for the year ended 30 June 2019

4. Investment in associates (continued)

	Robor [1]	KTH [2][3]	Africa Associates[4]	Other	Total
	R'000	R'000	R'000	R'000	R'000
Balance as at 30 June 2018	**137,595**	**1,089,320**	**354,872**	**5,444**	**1,587,231**
Previously reported balance	137,595	1,263,537	354,872	5,444	1,761,448
Effects of restatements*	-	(174,217)	-	-	(174,217)
Additions	-	-	-	7	7
Proceeds on disposal	-	-	-	(2,580)	(2,580)
Gain on disposal	-	-	-	1,150	1,150
Share of (loss)/profit of associates from continuing operations	(133,578)	(18,038)	-	927	(150,689)
Share of profit/(loss) of associates from discontinued operations	-	-	13,891	(4)	13,887
(Impairment)/Reversal of impairment of investment from continuing operations	(4,017)	7,935	-	(1)	3,917
Reversal of impairment of investment from discontinued operations	-	-	-	146	146
Dividends received	-	-	-	(2,231)	(2,231)
Movement in reserves	-	(24,577)	-	-	(24,577)
Movement in equity loans	-	-	-	(652)	(652)
Currency translation differences on the translation of foreign associates	-	-	(14,003)	-	(14,003)
Loss on remeasurement to fair value less costs to sell	-	-	(154,760)	-	(154,760)
Balance as at 30 June 2019	**-**	**1,054,640**	**200,000**	**2,206**	**1,256,846**

*Refer note 1.4

(1) On disposal of a 3.4% interest in Robor, Robor became an associate of the Group. Per note 5.2, the interest in Robor is no longer accounted for as a non-current asset held for sale (held at fair value less costs to sell) but is rather accounted for as an investment in associate being equity accounted and tested for impairment annually. Per IAS 28, when an investment in associate previously classified as held for sale no longer meets the criteria to be so classified, it shall be accounted for using the equity method retrospectively as from its date of classification as held for sale.

(2) During the prior year, the Group disposed of a 3.61% interest in KTH for R197.9 million reducing its interest in KTH from 22.9% to 20.01%. The loss on disposal of R45.0 million is included in net (loss)/profit. As per note 5.2, the interest in KTH is no longer accounted for as a non-current asset held for sale (held at fair value less costs to sell) but is rather accounted for as an investment in associate being equity accounted and tested for impairment annually with reference to the KTH portfolio valuation. Per IAS 28, when an investment in associate previously classified as held for sale no longer meets the criteria to be so classified, it shall be accounted for using the equity method retrospectively as from its date of classification as held for sale.

(3) The investment in KTH was impaired to the lower of its carrying value and recoverable amount which was determined with reference to the KTH portfolio valuation.

(4) Includes the Group's African interests outside South Africa: a 32.3% interest in Multimedia Group Limited ("Multimedia group") in Ghana, a 49.0% interest in Radio Africa Limited ("Radio Africa group") in Kenya, and an effective 36.5% interest in Cooper Communications Limited ("Coopers") which includes Lagos Talk, Nigeria. All of these businesses are equity accounted for as associates and did not contribute significantly to earnings or cash flows in the current reporting period. At 30 June 2019, the Africa Associates were classified and presented as non-current assets held for sale and discontinued operations (refer note 5.1).

Notes to the provisional condensed consolidated financial statements (continued)
for the year ended 30 June 2019

5. Discontinued operations and non-current assets held for sale

5.1 Reclassification in terms of IFRS 5 – Media, Broadcast and Content and the Africa Associates disposal groups

Disposal Transaction
On 27 June 2019 Tiso Blackstar announced that it signed an agreement for the disposal of TBG SA Group to Lebashe for a purchase consideration of R800.0 million, subject to certain adjustments. On 29 July 2019, the Company further announced that it had formalised the agreements to dispose of Africa Radio and SA Radio to Lebashe for additional considerations of R200.0 million and R50.0 million respectively. The sale of TBG SA Group, Africa Radio and SA Radio are collectively referred to as the "Transaction". The total purchase consideration in respect the Transaction is R1,050.0 million, subject to certain adjustments.

A circular to shareholders (“Circular”) detailing the Transaction as well as some other matters was distributed to shareholders on 20 September 2019 and will be voted upon at a General Meeting of the Company’s shareholders on 23 October 2019.

As noted in the Circular, the Transaction will be implemented as follows:

a) The Restructure
The Transaction requires an internal restructuring ("Restructuring") to be implemented as a first step, in terms of an implementation agreement ("Restructuring Agreement"). The Restructuring will constitute Tiso Blackstar Group's existing interests in its broadcasting, content and media businesses in South Africa, Ghana, Nigeria and Kenya in separate legal entities which are capable of being disposed of to Lebashe under the Transaction.

b) The TBG SA Group sale

TBG SA Group comprise -
- Media segment, which owns and operates various premier national, regional and community newspapers, magazines and digital publications in consumer, business and specialist fields; and
- some of the Broadcast and Content segment, which comprise certain business divisions which operate in the creation of media content and the sale of content for broadcasting thereof through the means of television and film.

In terms of the agreement all of the equity and claims in Tiso Blackstar Group Proprietary Limited (“TBG”) housing the TBG SA Group will be sold to Lebashe for a purchase consideration of R800.0 million adjusted for debt, cash and normalised working capital and for any movement in tangible net asset value.

c) The Africa Radio sale

In terms of the Africa Radio sale agreement, Tiso Blackstar Holdings will sell 100% of its shares in and claims against Africa Investment Holdings Limited for consideration of R200.0 million to Lebashe, which, in turn, enables Lebashe to acquire Tiso Blackstar Holdings’ interests in each of Tiso Blackstar’s African radio assets in Nigeria, Ghana and Kenya, comprising 24.5% of the shares in Coopers Communications Ltd, 32.2% of the shares in Multimedia Group Limited and 49% of the shares in Radio Africa Limited.

The Africa Radio sale results in a disposal of the entire Africa (excluding South Africa) segment of the Group.

d) The SA Radio sale

In terms of the SA Radio sale agreement, the shares in the companies housing the South African radio businesses Rise FM and Vuma 103 FM, respectively will be sold to Lebashe for an amount of R50.0 million. This will result in Lebashe holding 100% of the issued share capital in Rise Broadcast Proprietary Limited (“Rise Broadcast”) and Vuma Proprietary Limited (“Vuma”) and, accordingly, acquiring the South African Radio assets.

Rise Broadcast and Vuma form part of the Broadcast and Content segment as major lines of its businesses.

Notes to the provisional condensed consolidated financial statements (continued)
for the year ended 30 June 2019

5. Discontinued operations and non-current assets held for sale (continued)

5.1 Reclassification in terms of IFRS 5 – Media, Broadcast and Content and the Africa Associates disposal groups (continued)

Impact on Tiso Blackstar's financial reporting
The Transaction is a fundamental input in the preparation of the annual financial statements for the current reporting period impacting the valuation and classification of the assets and liabilities identified for sale with reference to the sales agreements in accordance with *IFRS 5 Non-current assets held for sale and discontinued operations ("IFRS 5")*. The Transaction has also been taken into consideration in the detailed review of the Group's liquidity and solvency position at the reporting date taking into account all possible future cash flows and scenarios (refer to note 1.1).

The Media, Broadcast and Content disposal groups (comprising of TBG SA Group and SA Radio), and the Africa Associates disposal group (comprising of Africa Radio) have been classified and presented as non-current assets held for sale and discontinued operations at 30 June 2019 in terms of IFRS 5. In accordance with IFRS 5, profit and loss for the comparative year ended 30 June 2018 has been reclassified, to reflect Media, Broadcast and Content disposal groups, and the Africa Associates disposal groups as discontinued operations.

The debt and cash included in the businesses that are being sold have not been classified as held for sale as the structure of the transaction results in these balances being settled by the proceeds received.

Purchase consideration and application
A portion of the R800.0 million purchase consideration in respect of the TBG SA Group sale will be utilised to settle in full any debt and bank overdrafts held by TBG.

Proceeds from the sales will also be used to fully settle the debt relating to the KTH acquisition, to reduce any bank overdrafts held by the remaining Group, and to reduce debt held by Hirt & Carter Group to appropriate levels.

5.2 Amendment in terms of IFRS 5 and IAS 28 - Robor and KTH

The investment in Robor met the requirements of IFRS 5 in the prior financial year, and was separately classified and presented, as a non-current asset held for sale and a discontinued operation at 30 June 2018. It was anticipated that the disposal of Robor would be achieved through a sale of shares envisaged to be completed in accordance with a disposal plan. However, in September 2019, Robor was placed into voluntary liquidation and the disposal plan was abandoned.

Tiso Blackstar's 20.01% interest in KTH, was identified as a non-core asset earmarked for sale and accounted for as a non-current asset held for sale and a discontinued operation in terms of IFRS 5 with effect from June 2016, as a result of the Group entering into a sales agreement to dispose of the asset.

On publication of the Integrated Annual Report for the year ended 30 June 2018, the KTH shareholders had appointed an independent party to advise on the most optimal approach to meet the desired shareholders objectives, which included Tiso Blackstar's plan to dispose of its entire interest in KTH. It was highly anticipated that this KTH disposal plan would be completed by 30 June 2019.

Tiso Blackstar could however not come to reasonable sale terms for its KTH interest with other KTH shareholders, both in terms of value and an appropriate amount of cash. The board reconsidered its position and decided that the most responsible approach would be to continue to hold the investment, and to work together with the other KTH shareholders and management, with the aim of increasing the overall value of KTH. Tiso Blackstar's long-term view continues to be to dispose of its interest in KTH, but only once this can be successfully executed at a price which is reflective of the fair value of this investment. The board believes that this strategy will in the long-term yield a better return for shareholders.

As a result of the aforementioned events, the interests in Robor and KTH are no longer accounted for as non-current assets held for sale (held at fair value less costs to sell) but rather accounted for as investment in associates being equity accounted and tested for impairment annually.

Notes to the provisional condensed consolidated financial statements (continued)
for the year ended 30 June 2019

5. Discontinued operations and non-current assets held for sale (continued)

5.2 Amendment in terms of IFRS 5 and IAS 28 - Robor and KTH (continued)

Per *IAS 28 Investments in Associates and Joint Ventures*, when an investment in associate previously classified as held for sale no longer meets the criteria to be so classified, it shall be accounted for using the equity method retrospectively as from its date of classification as held for sale. The provisional condensed consolidated financial statements for the periods since classification as held-for-sale have been amended accordingly.

The interests in Robor and KTH have therefore been accounted for as investment in associates in accordance with IAS 28 effective from the initial date on which they were classified as held for sale being 30 June 2018 and 1 July 2016 respectively. Comparative figures have been amended for these changes in classification.

5.3 CSI disposal group

The investment in CSI met the requirements of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in both the current and prior financial years, and was separately classified and presented as a non-current asset held for sale and a discontinued operation at 30 June 2018 and up to the date of disposal. The entire investment in CSI (including shares and claims) was disposed of effective 30 November 2018 for an amount of R50.0 million. R20.0 million was received in cash and the balance accrues interest repayable monthly until settlement. The capital amount is expected to be paid in the second quarter of the financial year ended 30 June 2020.

Notes to the provisional condensed consolidated financial statements (continued)
for the year ended 30 June 2019

5. Discontinued operations and non-current assets held for sale (continued)

5.4 Reclassification and amendment of the provisional condensed consolidated statements of profit and loss and other comprehensive income

The effect of the aforementioned reclassifications for the Media, Broadcast and Content and Africa Associates disposal groups, and the amendment for KTH and Robor had the following impact on the provisional condensed consolidated statements of profit and loss and other comprehensive income:

30 June 2018	Previously reported [1] R'000	Amendment for KTH - previously a discontinued operation R'000	Previously reported [2] R'000	Reclassified and amended discontinued operations - Media, Broadcast and Content and Africa Associates disposal groups R'000	Amendment for Robor - previously a discontinued operation R'000	Restated R'000
Continuing operations						
Revenue	3,813,318	1,463	3,814,781	(1,759,521)	1,004,315	3,059,575
Net profit	233,616	(43,501)	190,115	(121,955)	11,935	80,095
Net finance costs	(145,565)	-	(145,565)	(1,012)	(25,182)	(171,759)
Finance income	7,026	-	7,026	(2,696)	239	4,569
Finance costs	(152,591)	-	(152,591)	1,684	(25,421)	(176,328)
Share of profit/(loss) of associates - equity accounted	13,538	169,072	182,610	(12,823)	(10,217)	159,570
Impairment of investment in associates - equity accounted	(4,351)	(265,603)	(269,954)	4,351	-	(265,603)
Profit/(loss) before taxation	97,238	(140,032)	(42,794)	(131,439)	(23,464)	(197,697)
Taxation	(77,254)	(410)	(77,664)	34,927	1,664	(41,073)
Profit/(loss) from discontinued operations	19,984	(140,442)	(120,458)	(96,512)	(21,800)	(238,770)
Loss from discontinued operations, net of taxation	(295,643)	37,470	(258,173)	96,512	21,800	(139,861)
Loss for the year	(275,659)	(102,972)	(378,631)	-	-	(378,631)
Other comprehensive income/(loss), net of taxation	9,746	(5,392)	4,354	-	-	4,354
Items that may subsequently be reclassified to profit and loss:						
Currency translation differences on the translation of foreign operations	7,494	(9,299)	(1,805)	-	-	(1,805)
Other comprehensive income/(loss) of equity accounted associates	-	1,589	1,589	-	-	1,589
Items that will not subsequently be reclassified to profit and loss:						
Actuarial gains on Post-retirement medical aid ("PRMA")	2,252	-	2,252	-	-	2,252
Other comprehensive income of equity accounted associates	-	2,318	2,318	-	-	2,318
Total comprehensive loss for the year	(265,913)	(108,364)	(374,277)	-	-	(374,277)
Basic loss per ordinary share (in cents) attributable to equity holders	(104.11)	(38.85)	(142.96)	-	-	(142.96)
Diluted loss per ordinary share (in cents) attributable to equity holders	(102.36)	(38.19)	(140.55)	-	-	(140.55)
Basic headline loss per ordinary share (in cents) attributable to equity holders	(47.09)	17.66	(29.43)	-	-	(29.43)
Diluted headline loss per ordinary share (in cents) attributable to equity holders	(46.29)	17.35	(28.94)	-	-	(28.94)

(1) Amounts previously reported as per the 30 June 2018 Integrated Annual Report
(2) 30 June 2018 amounts previously reported as per the 31 December 2018 reviewed condensed consolidated interim Financial Statements

Notes to the provisional condensed consolidated financial statements (continued)
for the year ended 30 June 2019

5. Discontinued operations and non-current assets held for sale (continued)

5.5 Amendment of the provisional condensed consolidated statement of financial position

The effect of the investment in the associates KTH and Robor, previously classified as a non-current asset held for sale ("NCAHFS") no longer meeting the requirements to be classified, had the following impact on the prior year's condensed consolidated statement of financial position:

30 June 2018	Previously reported (1) R'000	Amendment for KTH - previously a NCAHFS R'000	Previously reported (2) R'000	Amendment for Robor - previously a NCAHFS R'000	Restated R'000
ASSETS					
Non-current assets					
Investment in associates - equity accounted	360,316	1,089,320	1,449,636	137,595	1,587,231
Non-current assets held for sale	2,449,829	(1,263,537)	1,186,292	(137,595)	1,048,697
	2,810,145	(174,217)	2,635,928	-	2,635,928
EQUITY					
Capital and reserves attributable to the Group's equity holders					
Other reserves	28,383	3,653	32,036	-	32,036
Foreign currency translation reserve	(62,276)	(3,823)	(66,099)	-	(66,099)
Accumulated losses	(145,344)	(174,047)	(319,391)	-	(319,391)
	(179,237)	(174,217)	(353,454)	-	(353,454)

(1) Amounts previously reported as per the 30 June 2018 Integrated Annual Report

(2) 30 June 2018 amounts previously reported as per the 31 December 2018 reviewed condensed consolidated interim Financial Statements

5.6 Results from discontinued operations

The results from the discontinued operations which are included in the provisional condensed consolidated statement of profit and loss are as follows:

	Reviewed Year ended 30 June 2019 R'000	Restated* Audited Year ended 30 June 2018 R'000
Discontinued operations		
Revenue	**2,917,404**	4,269,590
Net loss	**(124,473)**	(79,724)
Net finance costs	**(21,445)**	(48,894)
Finance income	**1,087**	2,853
Finance costs	**(22,532)**	(51,747)
Share of profit of associates - equity accounted	**13,887**	12,823
Reversal of impairment/(impairment loss) of associates - equity accounted	**146**	(4,351)
Loss before taxation	**(131,885)**	(120,146)
Taxation	**27,796**	(19,715)
Loss for the year from discontinued operations	**(104,089)**	(139,861)
Loss for the year from discontinued operations attributable to:		
Equity holders of the parent	**(96,581)**	(140,574)
Non-controlling interests	**(7,508)**	713
	(104,089)	(139,861)

* Refer note 1.4

Notes to the provisional condensed consolidated financial statements (continued)
for the year ended 30 June 2019

5. Discontinued operations and non-current assets held for sale (continued)

5.6 Results from discounted operations (continued)

	Reviewed Year ended 30 June 2019 R'000	Restated* Audited Year ended 30 June 2018 R'000
Cash flows generated by discontinued operations		
Cash generated from operating activities	**121,303**	204,243
Cash utilised by investing activities	**(64,617)**	(42,194)
Cash utilised by financing activities	**(1,428)**	(83,516)
Net cash inflows	**55,258**	**78,533**

* Refer note 1.4

	Reviewed Year ended 30 June 2019 R'000	Restated* Audited Year ended 30 June 2018 R'000
Depreciation, amortisation and straight lining of leases		
Depreciation	**(27,159)**	(51,810)
Amortisation	**(34,766)**	(38,932)
Straight lining of leases	**(6,467)**	(133)
Impairments		
Impairments arising on trade receivables	**(16,668)**	(2,488)
Bad debts recovered	**288**	313
Impairment of CSI loan receivable	**(5,000)**	-
Impairment of other loan receivables	**(7,000)**	-
Other (losses)/gains		
Loss on remeasurement to fair value less costs to sell for Africa Associates disposal group	**(154,760)**	-
Loss on remeasurement to fair value less costs to sell for Media, Broadcast and Content disposal group	**(59,269)**	-
Loss on remeasurement to fair value less costs to sell for CSI disposal group	**(10,704)**	(178,771)
Release foreign currency translation reserve on disposal of CSI	**(11,644)**	-
Non-recurring costs	**(9,933)**	(8,333)
Profit on disposal of property, plant and equipment	**2,775**	934
Profit/(loss) on disposal of intangible assets	**30**	-

* Refer note 1.4

5.7 Non-current assets and liabilities held for sale

At 30 June 2019, Media, Broadcast and Content and Africa Associates disposal groups (at 30 June 2018 the CSI disposal group), are classified and presented as non-current assets held for sale valued at the lower of carrying value and fair value less costs to sell.

Notes to the provisional condensed consolidated financial statements (continued)
for the year ended 30 June 2019

5. Discontinued operations and non-current assets held for sale (continued)

5.7 Non-current assets and liabilities held for sale (continued)

	Reviewed Year ended 30 June 2019 R'000	Restated* Audited Year ended 30 June 2018 R'000
Non-current assets held for sale ^		
Property, plant and equipment	**70,727**	130,158
Goodwill ^	**405,306**	-
Intangible assets	**382,535**	11,098
Investment in associates - equity accounted	**202,206**	-
Other investments, loans and receivables	**-**	4,034
Deferred taxation	**49,068**	27,764
Cash and cash equivalents	**-**	41,633
Other current assets	**381,952**	834,010
	1,491,794	1,048,697
Non-current liabilities associated with non-current assets held for sale		
Borrowings	**7,313**	-
Finance lease and instalment sale obligations	**898**	29,117
Post-retirement benefits liabilities and provisions	**70,633**	-
Deferred taxation	**92,501**	16,879
Bank overdrafts and other short term borrowing facilities	**-**	400,301
Other current liabilities	**315,719**	602,400
	487,064	1,048,697

* Refer note 1.4

^ Reflected net of impairments raised on remeasurement to fair value less costs to sell

6. Loss per ordinary share, Net asset value per ordinary share, Tangible net asset value per ordinary share and Dividends per ordinary share

	Reviewed Year ended 30 June 2019 R'000	Restated* Audited Year ended 30 June 2018 R'000
Basic loss per ordinary share (in cents)		
From continuing operations	**(176.34)**	(89.93)
From discontinued operations	**(36.73)**	(53.03)
Total basic loss per ordinary share (in cents)	**(213.07)**	(142.96)
Diluted loss per ordinary share (in cents)		
From continuing operations	**(170.92)**	(88.41)
From discontinued operations	**(35.60)**	(52.14)
Total diluted loss per ordinary share (in cents)	**(206.52)**	(140.55)
Net asset value per ordinary share (in cents)		
Net asset value	**2,333,263**	2,901,794
Number of shares in issue (net of treasury shares, in thousands)	**262,833**	263,283
Net asset value per ordinary share (in cents)	**887.74**	1,102.16
Tangible net asset value per ordinary share (in cents)		
Tangible net asset value	**913,303**	645,951
Number of shares in issue (net of treasury shares, in thousands)	**262,833**	263,283
Tangible net asset value per ordinary share (in cents)	**347.48**	245.34
Dividends per ordinary share (in cents)		
Dividends paid	**-**	12,545
Number of shares in issue (in thousands)	**275,753**	272,307
Dividends per ordinary share (in cents)	**-**	4.61

* Refer note 1.4

Notes to the provisional condensed consolidated financial statements (continued)
for the year ended 30 June 2019

6. Loss per ordinary share, Net asset value per ordinary share, Tangible net asset value per ordinary share and Dividends per ordinary share (continued)

6.1 Basic loss and weighted average number of shares

	Reviewed Year ended 30 June 2019 R'000	Restated* Audited Year ended 30 June 2018 R'000
Loss for the year attributable to equity holders of the parent from continuing operations	**(463,661)**	(238,357)
Loss for the year attributable to equity holders of the parent from discontinued operations	**(96,581)**	(140,574)
Loss for the year attributable to equity holders of the parent	**(560,242)**	(378,931)
Weighted average number of shares in issue (net of treasury shares, in thousands) ^	**262,942**	265,062

* Refer note 1.4

^ Shares issued during the current and prior financial years (either as a fresh issue or out of treasury shares held) under the long-term Management Incentive Scheme are contingently returnable shares and are excluded from the loss per share calculation until such date as they are not subject to recall.

6.2 Diluted loss and weighted average number of shares

	Reviewed Year ended 30 June 2019 R'000	Restated* Audited Year ended 30 June 2018 R'000
Loss for the year attributable to equity holders of the parent from continuing operations	**(463,661)**	(238,357)
Loss for the year attributable to equity holders of the parent from discontinued operations	**(96,581)**	(140,574)
Loss for the year attributable to equity holders of the parent	**(560,242)**	(378,931)
Diluted weighted average number of shares in issue (in thousands)	**271,274**	269,601
Reconciliation of weighted average number of shares in issue		
Weighted average number of shares in issue (net of treasury shares, in thousands)	**262,942**	265,062
Less number of shares expected to vest (in thousands)	**8,332**	4,539
Diluted weighted average number of shares in issue (in thousands)	**271,274**	269,601

* Refer note 1.4

Notes to the provisional condensed consolidated financial statements (continued)
for the year ended 30 June 2019

6. Loss per ordinary share, Net asset value per ordinary share, Tangible net asset value per ordinary share and Dividends per ordinary share (continued)

6.3 Basic and diluted headline earnings/(loss) per ordinary share

	Reviewed Year ended 30 June 2019 R'000	Restated* Audited Year ended 30 June 2018 R'000
Loss for the year attributable to equity holders of the parent	**(560,242)**	(378,931)
Profit on disposal of property, plant and equipment	**(2,296)**	(1,488)
Impairment of property, plant and equipment	**197**	-
Loss/(Profit) on disposal of intangible assets	**30**	(25,000)
Impairment of intangible assets	**9,493**	761
Gains arising on investment properties	**-**	(36)
Loss on disposal of subsidiaries/businesses	**16,400**	2,099
(Gain)/Loss on disposal of associates	**(1,150)**	44,776
(Reversal of impairment)/Impairment of associates	**(4,063)**	269,954
Gain on loss of control in Robor	**-**	(5,821)
Release of foreign currency translation reserve on CSI disposal group	**11,644**	-
Loss on remeasurement of fair value less costs to sell CSI disposal group	**10,704**	178,771
Loss on remeasurement of fair value less costs to sell Africa Investments disposal group	**154,760**	-
Loss on remeasurement of fair value less costs to sell Media disposal group	**59,269**	-
Non-controlling interests and tax effects of adjustments	**902**	(30,039)
Non-headline earnings items included in equity accounted earnings of associates, net of tax effects and non-controlling interests	**102,933**	(133,059)
- Gains on bargain purchase	**-**	(13)
- Losses on disposal groups classified as discounted operations	**516**	8,785
- Profit on disposal of property, plant and equipment	**(1,177)**	(44)
- Loss/(Gain) on disposal of equity accounted investments	**5,292**	(234,370)
- Adjustments in respect of equity accounted investments	**8,390**	92,583
- Impairments of investments, loans, assets and goodwill	**89,912**	-
Headline loss for the year	**(201,419)**	(78,013)
Basic headline loss per ordinary share (in cents) attributable to equity holders of the parent	**(76.60)**	(29.43)
Diluted headline loss per ordinary share (in cents) attributable to equity holders of the parent	**(74.25)**	(28.94)
Headline loss for the year		
From continuing operations	**(340,985)**	(65,287)
From discontinued operations	**139,566**	(12,726)
Total headline loss for the year	**(201,419)**	(78,013)
Basic headline (loss)/earnings per ordinary share (in cents)		
From continuing operations	**(129.68)**	(24.63)
From discontinued operations	**53.08**	(4.80)
Total basic headline loss per ordinary share (in cents)	**(76.60)**	(29.43)
Diluted headline (loss)/earnings per ordinary share (in cents)		
From continuing operations	**(125.70)**	(24.22)
From discontinued operations	**51.45**	(4.72)
Total diluted headline loss per ordinary share (in cents)	**(74.25)**	(28.94)

* Refer note 1.4

Notes to the provisional condensed consolidated financial statements (continued)
for the year ended 30 June 2019

7. Goodwill

The carrying amount of goodwill is as follows:

	Reviewed 30 June 2019 R'000	Audited 30 June 2018 R'000
At the beginning of the year	**1,080,696**	1,224,936
Acquisition of subsidiaries/businesses	**78,969**	36,653
Disposal of subsidiaries/businesses	**(33,992)**	-
CSI disposal group classified to NCAHFS (refer note 5)	**-**	(109,439)
Loss of control in Robor	**-**	(71,454)
Media, Broadcast and Content disposal groups classified to NCAHFS (refer note 5)	**(464,575)**	-
	661,098	1,080,696

The Group assesses annually for impairment or more frequently if there are indicators that the goodwill may be impaired. Based on the assessment performed at 30 June 2019, there were no impairments recognised on goodwill noted above.

All of the goodwill held at 30 June 2019 is attributable to the Hirt & Carter Group segment.

8. Net cash and cash equivalents

Net cash and cash equivalents for the reporting periods can be analysed as follows:

	Reviewed 30 June 2019 R'000	Audited 30 June 2018 R'000
Cash and cash equivalents	**135,330**	394,496
Bank overdrafts and other short-term borrowing facilities	**(272,802)**	(285,562)
Net cash and cash equivalents	**(137,472)**	108,934
Cash and bank overdrafts included in the CSI disposal group	**-**	(358,668)
Net cash and cash equivalents per the condensed consolidated statement of cash flows	**(137,472)**	(249,734)

Net cash and cash equivalents include cash and bank overdrafts held by the TBG SA Group and SA Radio which is to be sold to Lebashe. As per note 5.1, the Media, Broadcast and Content disposal groups are sold excluding any cash, bank overdrafts and debt which remains and is required to be settled by Tiso Blackstar directly.

9. Acquisitions and disposals of subsidiaries/businesses and changes in holdings

9.1 Acquisitions during the current period

On 13 March 2019, Hirt & Carter Group acquired the entire issued share capital of FIL for a purchase consideration of R190.0 million, which is payable in two separate tranches as follows:

- an initial payment of R95.0 million, which was paid on 13 March 2019; and
- a second payment equal to the base amount (i.e. not greater than R95.0 million) plus interest, payable on 13 March 2020.

Notes to the provisional condensed consolidated financial statements (continued)
for the year ended 30 June 2019

9. Acquisitions and disposals of subsidiaries/businesses and changes in holdings (continued)

9.1 Acquisitions during the current period (continued)

Had the acquisition of FIL been effected 1 July 2018, the revenue and loss of the Group from continuing operations for the year ended 30 June 2019 would have been R2,592.0 million, and R427.7 million, respectively. These numbers represent an approximate measure of the performance of the combined Group on a full year basis and provide a reference point for future periods.

The Hirt & Carter Group, consisting of H&C division, Uniprint Labels and Forms, Triumph and many other integrated brands, delivers unique design, marketing, technology, data insights and execution services to the Retail and FMCG market. The Hirt & Carter Group aims to be the partner of choice for blue-chip marketers and advertisers looking to sell products and promote their brands in the sub-Saharan African market.

Labels and Packaging are the last vestige of consumer interaction for both Retailers and Brands, and the Hirt & Carter Group, through its existing Labels division, is looking to enhance the product and service offering to the Group's client base. It is part of the Group's strategy to invest in growth segments of the Brand and Marketing solutions sector.

FIL is a Durban based business which prints flexo and digital labels, shrink sleeves, wrap around labels and coupons for blue-chip customers. The acquisition of FIL, and subsequent merger with Uniprint Labels, creates a world-class labels business with a unique and innovative offering.

The acquisition adds scale to the existing business, further diversifying the technology offering and capabilities for clients, and enhancing the earnings base for the Group. In addition, the merged business operates out of the new integrated facility in Cornubia, Durban, and leverages off the efficiencies and cost savings this facility has created. FIL has a strong leadership team and has assumed management of the combined business, which operates under the First Impression Labels brand. There is very little customer overlap in the merged entity.

The new leadership team has a proven track record in building strong customer relationships, has built a diverse client base, and has already complemented the existing Labels business. The labels market is fragmented and requires consolidation to benefit from scale and ultimately synergies from lower input costs.

Net assets acquired

30 June 2019	**FIL R'000**
Purchase consideration	**190,000**
Less: Fair value of net identifiable assets and liabilities acquired	**(111,031)**
Property, plant and equipment	**(71,222)**
Intangible assets	**(32,520)**
Other financial liabilities	**(171)**
Inventories	**(11,022)**
Trade and other receivables	**(45,090)**
Cash and cash equivalents	**(19,805)**
Net deferred taxation	**22,163**
Finance lease and instalment sales obligations	**24,715**
Current tax payable	**1,959**
Trade and other payables	**19,962**
Goodwill arising on acquisition	**78,969**
Consideration paid	
Purchase consideration	**190,000**
Less: Purchase consideration included in other financial liabilities	**(95,000)**
Purchase consideration paid in cash	**95,000**
Cash flows	
Purchase consideration paid in cash	**(95,000)**
Add: Cash and cash equivalents acquired	**19,805**
Net cash flow on acquisition of subsidiary	**(75,195)**

Notes to the provisional condensed consolidated financial statements (continued)
for the year ended 30 June 2019

9. Acquisitions and disposals of subsidiaries/businesses and changes in holdings (continued)

9.2 Acquisition during the prior year

Effective 1 July 2017, the Hirt & Carter Group acquired a 51.0% interest in Bothma Branding Solutions Proprietary Limited ("BBS") for R15.9 million. BBS design, produce and execute branding solutions in the formal and informal retail markets.

BBS was acquired to continue with the expansion of the Group's media focused strategy. Goodwill of R36.7 million arose on acquisition of BBS and the fair value of the identifiable assets and liabilities at acquisition date was R11.6 million.

9.3 Disposals of subsidiaries during the current period

The Group disposed of the following investments during the current period:

- effective 30 November 2018, the Group's entire shareholding and claims in its wholly-owned subsidiary CSI, for a purchase consideration of R50.0 million. R20.0 million was received in cash and the balance will be paid, including interest, in the last quarter of the 2019 financial year; and
- effective 1 August 2018, the Group's 50.0% plus one share option interest in STS for R21.5 million.

Net assets of the disposed subsidiaries
The net assets of the disposed subsidiaries at the date of disposal were as follows:

30 June 2019	CSI R'000	STS R'000	Total R'000
Net assets disposed of	**50,000**	**6,999**	**56,999**
Attributable goodwill	**-**	**33,992**	**33,992**
Identifiable assets and liabilities disposed of	**50,000**	**40,991**	**90,991**
Loss on disposal	**-**	**(16,400)**	**(16,400)**
Non-controlling interests	**-**	**(3,091)**	**(3,091)**
Total consideration received	**50,000**	**21,500**	**71,500**
Consideration received			
Cash consideration received	**20,000**	**21,500**	**41,500**
Consideration receivable included in loans and receivables	**30,000**	**-**	**30,000**
Total consideration received	**50,000**	**21,500**	**71,500**
Cash flows			
Consideration received in cash and cash equivalents	**20,000**	**21,500**	**41,500**
Cash and cash equivalents disposed of	**336,260**	**(32,191)**	**304,069**
Net cash flow on disposal of subsidiary	**356,260**	**(10,691)**	**345,569**

9.4 Disposals of subsidiaries and changes in holdings during the prior year

The Group disposed of a 3.4% interest in Robor during the prior year for R16.5 million reducing its interest in Robor from 51.0% to 47.6% and thereby resulting in a loss of control and a step down from a subsidiary to an associate. During the prior year, two other less significant disposals of subsidiaries and businesses also took place, including the disposal of the subsidiary Fantastic Investments 379 Proprietary Limited.

10. Segmental information

The Group has identified its operating segments based on their nature. At 30 June 2019 certain operating segments included both continuing and discontinued operations, details of which are also provided below:

Media: distribution of knowledge and content via print, online assets and other platforms. Continuing operations include Booksite and STS up to date of sale, and discontinued operations include the remainder of the segment which is to be disposed of.
Hirt & Carter Group: activities on retail advertising production systems and related database management and development, and retail print via Hirt & Carter, First Impression Labels and Uniprint. Hirt & Carter Group is a continuing operation.
Broadcast and Content: television and radio platforms, radio assets, Empire Entertainment (the leading all-rights distributor of local and international films business), all of which are discontinued operations to be disposed of. The music business Gallo and indigenous films catalogue are continuing operations.

Notes to the provisional condensed consolidated financial statements (continued)
for the year ended 30 June 2019

10. Segmental information (continued)

Africa (excluding South Africa): interests in the associates Radio Africa group in Kenya, Multimedia group in Ghana and Coopers in Nigeria (all which are equity accounted and the share of profits from these interests are therefore not shown in the tables below). This entire segment is to be disposed of and is therefore a discontinued operation.
Other: other consolidated Group companies, including head office, holding companies, the investment advisor, investments that are not deemed to be material to the Group (including the property subsidiaries) as well as consolidation adjustments and eliminations which cannot be allocated to a specific segment.

CSI (100% interest, discontinued operation sold effective 30 November 2018): includes Stalcor a processor, distributor and stockist of carbon steel, stainless steel and aluminium in the form of high quality sheet, plate and coil as well as structural and other long product profiles, and GRS a steel roofing and cladding company;
Robor (47.6% interest): a manufacturer and supplier of welded steel tube and pipe, and cold formed steel profiles;
KTH (20.01% interest): an investment holding company established in July 2011. Its investments include market leaders in key sectors such as media, resources, infrastructure, power and financial services, and comprise a mix of listed and private investments. Its major investments are Kagiso Media, MMI and Servest.

Both Robor and KTH are equity accounted as associates and included in continuing operations.

The Chief Operating Decision Maker utilises Trading Performance, as defined, in the assessment of a segment's performance. Tiso Blackstar's Trading Performance is calculated from profit before interest and tax after adding back depreciation, amortisation, straight lining of leases, share-based payment expenses and other (losses)/gains. It therefore excludes items outside of the ordinary day-to-day activities.

Group consolidation adjustments and line items which can directly be attributed to a specific trading segment, have been re-allocated from Other to the specific segment, in order to assist the Chief Operating Decision Maker in assessing the individual segments performance. Comparative figures have been updated for this adjustment.

10.1 Revenue for the year^

	Reviewed Year ended 30 June 2019 R'000	Restated* Audited Year ended 30 June 2018 R'000
Revenue from continuing operations	**2,362,296**	3,059,575
- Hirt & Carter Group	**2,246,358**	1,911,113
- Media	**69,338**	101,503
- Broadcast and Content	**41,650**	39,397
- Robor	**-**	1,002,715
- Other	**4,950**	4,847
Revenue from discontinued operations	**2,917,404**	4,269,590
- Media	**1,313,453**	1,421,448
- Broadcast and Content	**331,870**	335,526
- CSI	**1,272,012**	2,510,068
- Other	**69**	2,548
Total revenue for the year	**5,279,700**	7,329,165

^ Revenue is disclosed net of inter-segmental revenue
* Refer note 1.4

Notes to the provisional condensed consolidated financial statements (continued)
for the year ended 30 June 2019

10. Segmental information (continued)

10.2 Trading performance reconciliation to loss before taxation - continuing operations ^^

	Reviewed Year ended 30 June 2019 R'000	Restated* Audited Year ended 30 June 2018 R'000
Trading performance from continuing operations	**204,693**	208,930
- Hirt & Carter Group	**285,967**	295,331
- Media	**3,616**	10,120
- Broadcast and Content	**2,867**	14,782
- Robor	**-**	(7,441)
- Other	**(87,757)**	(103,862)
Trading performance ^^	**204,693**	208,930
Depreciation and amortisation	**(123,277)**	(104,103)
Share-based payment expense	**(14,945)**	(5,828)
Straight lining of leases	**(12,234)**	(6,856)
Other (losses)/gains	**(187,291)**	(12,048)
Net (loss)/profit	**(133,054)**	80,095
Net finance costs	**(146,113)**	(171,759)
Share of (loss)/profit of associates - equity accounted	**(150,689)**	159,570
Reversal of impairment/(impairment loss) of associates - equity accounted	**3,917**	(265,603)
Loss before taxation	**(425,939)**	(197,697)

^^ The Chief Operating Decision Maker utilises Trading Performance as defined, in the assessment of a segment's performance.
* Refer note 1.4

10.3 Trading Performance reconciliation to loss before taxation - discontinued operations

	Reviewed Year ended 30 June 2019 R'000	Restated* Audited Year ended 30 June 2018 R'000
Trading performance from discontinued operations	**211,076**	194,744
- Media	**93,627**	116,821
- Broadcast and Content	**49,757**	25,393
- CSI	**46,815**	(6,396)
- Other	**20,877**	58,926
Trading Performance (EBITDA)^^	**211,076**	194,744
Depreciation and amortisation	**(61,925)**	(90,742)
Share-based payment expense	**(11,136)**	(4,083)
Straight lining of leases	**(6,467)**	(133)
Other (losses)/gains	**(256,021)**	(179,510)
Net loss	**(124,473)**	(79,724)
Net finance costs	**(21,445)**	(48,894)
Share of profit of associates - equity accounted	**13,887**	12,823
Reversal of impairment/(impairment loss) of associates - equity accounted	**146**	(4,351)
Loss before taxation	**(131,885)**	(120,146)

^^ The Chief Operating Decision Maker utilises Trading Performance as defined, in the assessment of a segment's performance.
* Refer note 5

Notes to the provisional condensed consolidated financial statements (continued)
for the year ended 30 June 2019

10. Segmental information (continued)

10.4 Trading Performance from operations

	Reviewed Year ended 30 June 2019 R'000	Restated* Audited Year ended 30 June 2018 R'000
Trading Performance from continuing operations	**204,693**	208,930
Trading Performance from discontinued operations	**211,076**	194,744
Total	**415,769**	403,674

* Refer note 1.4

11. Financial instruments and financial risk management

11.1 Financial risk factors

The Group has exposure to the following risks from its use of financial instruments: credit risk; liquidity risk; and market risk (which comprise currency risk, interest rate risk and market price risk).

The provisional condensed consolidated financial statements for the year ended 30 June 2019 do not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 30 June 2019. There have been no material changes in the Group's credit, liquidity and market risk, or key inputs in measuring fair value since 30 June 2018.

11.2 Fair value estimation

The fair values of financial instruments that are accounted for at amortised cost have been determined for both the current and prior periods and approximate the carrying amounts at the respective period ends due to either the short-term nature of the instrument or because it attracts a market related rate of interest.

IFRS 13 Fair Value Measurement requires disclosures relating to fair value measurements using a three-level fair value hierarchy. The level within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. Assessing the significance of a particular input requires judgement, considering the factors specific to the asset or liability. The following table shows financial instruments recognised at fair value, categorised between those whose fair value is based on:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; or
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Recurring fair value measurement of assets and liabilities

As at 30 June 2019	**Level 1 R'000**	**Level 2 R'000**	**Level 3 R'000**	**Total R'000**
Non-current assets and liabilities held-for-sale	**-**	**1,004,730**	**-**	**1,004,730**
Contingent consideration payable	**-**	**(68,121)**	**-**	**(68,121)**
Total	**-**	**936,609**	**-**	**936,609**

As at 30 June 2018 - Restated *	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
Financial assets held for trading	-	-	1,112	1,112
Non-current assets and liabilities held-for-sale	-	-	-	-
Contingent consideration payable	-	(26,510)	-	(26,510)
Total	-	(26,510)	1,112	(25,398)

* Refer note 1.4

Notes to the provisional condensed consolidated financial statements (continued)
for the year ended 30 June 2019

11. Financial instruments and financial risk management (continued)

11.3 Valuation techniques

Level 2 - The Media, Broadcast and Content and Africa Associates disposal groups, are classified and presented as non-current assets held for sale valued at the lower of carrying value and fair value less costs to sell (refer note 5). Their fair values were determined with reference to the agreed upon selling prices less costs to sell.

The contingent consideration payable included in other financial liabilities relates to the acquisition of BBS and the liability raised at year end has been calculated with reference to the original sales agreement. Post year end an agreement was entered into to reduce the amount to R55.0 million (refer note 14).

12. Contingencies, guarantees and commitments

12.1 Contingencies and guarantees

Tiso Blackstar provided a guarantee limited to R160.0 million to a bank for the obligations of Robor. During the current year, R50.0 million was transferred to the bank and the guarantee was reduced to R110.0 million. At 30 June 2019, the guarantee was ranked ahead of another security, however, subsequent to year end following negotiations with the bank, the guarantee was amended so that the guarantee would only be called in the event that the bank was unable to recover the debt through the realisation of the other security. Based on an independent restructuring and liquidation consultant's analysis of Robor's assets and debt as well as the Group's own assessment, the probability of the guarantee being called upon is considered to be remote and thus no value has been recorded in the financial statements in this respect.

On disposal of CSI, the Company was released from its guarantee of R50.0 million provided to a bank in respect of CSI's financing facilities.

There have been no other significant changes to contingencies and guarantees from what was disclosed in the provisional condensed consolidated annual financial statements for the year ended 30 June 2018.

12.2 Commitments

There have been no significant changes to the Group's commitments since the previous reporting period.

13. Changes in directors and directorships

Marcel Ernzer resigned from his position as a non-executive director effective 28 November 2018.

14. Events after the reporting period

As detailed in note 5, the Group signed agreements to dispose of certain of its Media, Broadcast and Content businesses (TBG SA Group and SA Radio) and its Africa Associates (Africa Radio) to Lebashe for R1,050.0 million. A circular to shareholders ('Circular') detailing the Transaction and convening an Extraordinary General Meeting of the Company's shareholders on 23 October 2019 ("Extraordinary General Meeting") was distributed on 20 September 2019.

The board is confident that the outstanding conditions precedent for the Transaction will be successfully met, including shareholder approval at the Extraordinary General Meeting. The Transaction is in the final stages of completion and the board believes that at the date of this announcement, the sale of TBG SA Group for R800.0 million and Africa Radio sale for R200.0 million will be successfully concluded during the month of November 2019. It is anticipated that the SA Radio sale will be completed and proceeds of R50.0 million received in April 2020 once the sale has been unconditionally approved by ICASA.

As referred to in the Circular, the Transaction will result in certain amendments to the FSP, being the Company's existing long-term incentive scheme. This includes the Remuneration Committee's decision to cancel the FSP following the disposal of TBG SA Group, changes to the vesting of FSP awards under the FSP Rules for staff employed by the businesses being disposed of ("Media Participants") and an elective cash bonus being awarded to the Media Participants to compensate them for the early exit of the FSP and to ensure retention of key staff.

Notes to the provisional condensed consolidated financial statements (continued)
for the year ended 30 June 2019

14. Events after the reporting period (continued)

As detailed in the Circular, in order to provide Media Participants with an opportunity to dispose of the FSP shares that will vest as a result of the above at a fixed market-related price, it is proposed that Media Participants wishing to do so, be allowed to sell their vested FSP shares to the Company under a specific repurchase ("Specific Repurchase"). The Specific Repurchase would involve the repurchase by the Company of the vested FSP shares, numbering a maximum of up to 2.9 million shares. The Specific Repurchase would be funded from the proceeds of the sale of TBG SA Group and Africa Radio, at a price of R3.72 per share, being equal to the volume weighted average price of Tiso Blackstar shares traded on the JSE over the 30 trading days up 31 July 2019. The Specific Repurchase is subject to shareholder approval at the Extraordinary General Meeting.

Under the UK Companies Act, Tiso Blackstar will be required to effect the Specific Repurchase from its distributable reserves. In order to increase the Company’s distributable reserves so as to enable the Specific Repurchase to occur, it will be necessary to reduce the Company’s share premium account by way of a capital reduction, so that it can be converted to distributable reserves for the Specific Repurchase. Such a capital reduction requires the approval of shareholders by way of a special resolution to be voted upon at the Extraordinary General Meeting, as well as court approval under the UK Companies Act.

Post year end, management have entered into an agreement whereby the contingent consideration due to the previous shareholders of BBS will be reduced by R13.0 million to R55.0 million payable in three tranches: R32.5 million due October 2019; R12.5 million due July 2020, and R10.0 million due July 2021. This reduction is conditional on the profit before taxation per the 30 June 2019 audited financial statements of BBS equalling or exceeding the entities management accounts.

Per the announcement released on 2 October 2019, in September 2019 the Robor board and shareholders voted to put Robor into voluntary liquidation. The investment in the associate was written down to nil and all related loans were impaired at 30 June 2019.

15. Related parties

Certain members of Tiso Blackstar management (“TBG Management”) established a special purpose vehicle K2018537321 (South Africa) Proprietary Limited (“SPV”), to, inter a lia, acquire 9.0 million ordinary shares in the Company (“Tiso Blackstar Shares”) using proceeds from a loan advanced by a bank to the SPV in the amount of R28.5 million. Management includes Andrew Bonamour, a director of and a related party to the Company. The SPV acquired 3.0 million of the Tiso Blackstar Shares from Tiso Investment Holdings (RF) Proprietary Limited, an associate of David Adomakoh and Nkululeko Sowazi, who are directors of the Company, and 6.0 million of the Tiso Blackstar Shares from the Tiso Foundation Charitable Trust (“Trust”). Whilst the Trust is not an associate of David Adomakoh and Nkululeko Sowazi, they have been appointed as two out of the seven trustees of the Trust.

There have been no other significant changes to related parties from what was disclosed in the provisional condensed consolidated annual financial statements for the year ended 30 June 2018.

London, United Kingdom
21 October 2019

For further enquiries, please contact:

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