

Tiso Blackstar Group SE
(Incorporated in Malta)
(Company number SE 4)
(registered as an external company with limited liability in the Republic of South Africa under registration number 2011/008274/10)
LSE Ticker: TBGR
JSE Share code: TBG
ISIN: MT0000620113

19 May 2017

Tiso Blackstar Group SE (“Tiso Blackstar” or the “Company”)

Update on Conditional disposal of 22.9% interest in Kagiso Tiso Holdings Proprietary Limited (“KTH”)

Following on from the announcement released on 13 December 2016, the Company has engaged with Kagiso Capital Proprietary Limited (“Kagiso Capital”), KTH and its shareholders to restructure the conditional disposal in a manner that achieves Tiso Blackstar’s desire to sell its shares in KTH in line with its stated strategy.

The Company is pleased to announce that as a result it has signed a term sheet with KTH whereby KTH has conditionally agreed to repurchase the Company’s entire shareholding of 213,235 ordinary shares in KTH constituting 22.9% of KTH’s issued ordinary share capital (excluding treasury shares), held through its wholly owned subsidiary Tiso Blackstar Holdings SE (previously Tiso Blackstar (Cyprus) Public Limited)” (the “KTH Repurchase”). Accordingly Tiso Blackstar and Kagiso Capital have agreed to cancel the initial sale and purchase agreement.

The KTH Repurchase price, which is the same as for the structure previously announced, is ZAR1.5 billion (approximately £86 million) but will be paid over a 19 month period, with ZAR1 billion (approximately £57 million) paid on or before 31 December 2017, and the balance on or before 31 December 2018.

As per the Company’s previous announcement, a portion of the proceeds will be applied to fully repay Tiso Blackstar’s term debt, which at 30 April 2017 was ZAR399 million (£23 million). Tiso Blackstar also remains intent on paying a special dividend of ZAR40 million (£2.3 million). The remaining funds will be held to be reinvested into media-focused investments in accordance with Tiso Blackstar’s stated strategy.

KTH is a leading black owned diversified investment holding company with investments in a broad range of sectors including media, insurance and services. As at 31 December 2016, the KTH investment was carried in Tiso Blackstar’s accounts at its estimated fair value less cost to sell of ZAR1.5 billion (then £78 million) and separately disclosed as a non-current asset held for sale. During the six months then ended, pre-tax dividends amounting to ZAR11 million (£0.6 million) were received from KTH.

The KTH Repurchase is subject to the fulfilment of a number of suspensive conditions, including:

- a) Completion of KTH debt restructure;
- b) KTH shareholder waiver of pre-emptive rights; and
- c) KTH shareholder approval in terms of s115(2)(a) of the Companies Act, No71 of 2008.

Transfer of listing from AltX to the JSE Main Board and the migration of the Company from Malta to the United Kingdom

The Company has received approval from the JSE Limited (“JSE”) to transfer its listing from a secondary listing on the Alternative Exchange of the JSE (“AltX”) to a dual primary listing on the Main Board of the JSE. The approval is subject to the Company’s Articles of Association being amended to comply with the JSE Regulations and the successful migration of the Company to the United Kingdom (the “Migration”).

An Extraordinary General Meeting (“EGM”) will be held in June 2017 in order for shareholders to approve these amendments to the Articles of Association. The publication of the Notice of EGM and Circular will be issued on or about 26 May 2017.

It is anticipated that following the EGM, both the transfer to the Main Board of the JSE and the Migration will be completed by the end of June 2017.

This announcement contains inside information for the purposes of article 7 of the Market Abuse Regulation (EU) No. 596/2014.

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