

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

13 December 2016

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

Conditional disposal of 22.9% interest in Kagiso Tiso Holdings Proprietary Limited (“KTH”) for ZAR1.5 billion

As reiterated in the Company’s results announcement for its year ended 30 June 2016, Tiso Blackstar’s intention is to become a single sector investment holding company with a focus on media and related industries in a more focused approach. With its media expertise, intellectual capital and operational ability, Tiso Blackstar is ideally positioned to focus its resources on developing its existing brands and media businesses as well as seeking media related opportunities, on the African continent. This shift in focus means that Tiso Blackstar will dispose of all non-core assets, including KTH, in the short to medium term.

The Company is therefore pleased to announce that it has, through its wholly owned subsidiary Tiso Blackstar Cyprus Public Limited (“TBCPL”), conditionally agreed to dispose of its entire shareholding of 213,235 ordinary shares in KTH constituting 22.9% of KTH’s issued ordinary share capital (excluding treasury shares) to Kagiso Capital Proprietary Limited (the “Purchaser”) for a cash consideration of ZAR1.5 billion (approximately £86 million) to be paid five business days after satisfaction or waiver of various conditions precedent, expected to be no later than 30 April 2017.

A portion of the sale proceeds will be applied to fully repay Tiso Blackstar’s term debt, which at 30 September 2016 was ZAR413 million (£23 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, financial services, resources, industrial and healthcare. As at 30 June 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 year then ended, dividends amounting to ZAR30 million (£1.5 million) were received from KTH (which reported a pre-tax loss of ZAR460 million (£24 million) for the period).

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

- a) approval by the competition authorities of South Africa;
- b) the Purchaser entering into an agreement to acquire the balance of ordinary shares in KTH not already owned by the Purchaser or TBCPL (other than treasury shares and certain shares held by KTH management);
- c) funding agreements having been entered into by the Purchaser sufficient to allow payment of any portion of the purchase consideration not otherwise funded by the Purchaser;
- d) any necessary consents, approvals and/or waivers from existing third party debt provider(s) to KTH and its subsidiaries and any relevant KTH Group investments; and
- e) non-exercise or waiver of any and all pre-emptive rights by each of the other shareholders of KTH.

For further information, please contact:

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