

Tiso Blackstar Group SE
(previously 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

22 October 2015

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

Finalisation Announcement - Acquisition of 51.0% interest in Robor (Pty) Limited (“Robor”)

Following the announcement on 30 July, Tiso Blackstar is pleased to advise Shareholders that effective 21 October 2015, the pre-conditions for the acquisition of additional ordinary shares in Robor have been completed and as a result Tiso Blackstar increased its interest in Robor (held by its wholly owned subsidiary, Tiso Blackstar Cyprus Limited) from 19.4% to 51%.

Tiso Blackstar has purchased additional ordinary shares in Robor from certain existing Robor shareholders (“the Sellers”) for a consideration of R29.6 million (£1.5 million) (“the Consideration”) which will be settled through the issue of 1,740,358 Tiso Blackstar shares made up of 1,625,973 new Tiso Blackstar shares and 114,385 Tiso Blackstar shares which are currently held as treasury shares by the Company (“the Robor Transaction”). The Tiso Blackstar shares will be issued to the Sellers on 28th October 2015.

As the Tiso Blackstar shares have been issued at intrinsic NAV (being a premium to the current market price), there is no dilutive effect for existing Tiso Blackstar shareholders. Tiso Blackstar has been able to acquire control of Robor at a significant discount to the tangible balance sheet NAV (excluding goodwill and intangible assets) while at the same time issuing its shares at intrinsic NAV per share.

The Robor Transaction is in line with Tiso Blackstar’s strategy of having meaningful interests in its underlying investments in order to have an influence on the investee companies’ strategy and control over cash flow.

The Board is of the view that the Company is buying Robor at a cyclical low and therefore at an attractive time in the cycle and at an attractive price. Robor has an existing and growing African footprint that will benefit from the increasing infrastructure spend taking place on the African continent. With a strong balance sheet and an aligned management team who will hold the remaining 49% of the shares in the company, Robor is well positioned for expansion and growth.

Established in 1922, Robor (a private South African company), is a manufacturer and supplier of welded steel tube and pipe, cold formed steel profiles and associated value added products. The company also supplies, distributes and adds value to carbon steel coil, plate, sheet and structural profiles. Robor is the largest tube and pipe solution company in Southern Africa and is active in most industries including, mining transport – rail and road, construction, engineering, manufacturing, agriculture, energy, water and automotive. Robor’s mission is to be an engineering steel, tube and pipe company with an African focus. Robor generated a profit of R74.8 million (£3.8 million) before extraordinary items and taxation for its year ended 30 September 2014. Robor recently completed a strategic acquisition of Tricom Structures who design, develop and manufacture steel structures for telecom tower companies, cell phone operators and power sectors. The demand for Tricom products/solutions is growing in Africa and will add value to Robor’s capabilities in terms of providing solutions across various market segments.

Application has been made for the new shares to be admitted to trading on AIM and the JSE and admission is expected to occur at 8:00am on 28th October 2015.

Currently, the Company has a total of 266,665,287 shares in issue and 144,385 treasury shares, following the settlement of the Consideration, the issued share capital of the Company will be 268,291,260 and there will be no shares held in treasury.

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