TISO BLACKSTAR GROUP

Tiso Blackstar Group SE
Unaudited Interim Results
For the six months ended 31 December 2016

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

Share code: TBGR or TBG

ISIN: MT0000620113

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

Highlights for the interim period ended 31 December 2016

- Results presented on a consolidated basis for the first time due to change in status from being an Investment Entity
- Significant progress made in implementation of new strategy as a media focussed business including renaming of Times Media Group to Tiso Blackstar Group
- In December 2016, announcement of sale of 22.9% interest in Kagiso Tiso Holdings for R1.5 billion (£90 million) – expected to close May 2017
- Consolidated turnover increased to R4.5 billion (£253 million) from R4.3 billion (£206 million)
- Consolidated EBITDA increased to R270 million (£15 million) from R249 million (£12 million)
- Times Media acquisition finance reduced from R730 million (£43 million) to R669 million (£39 million) over the period
- Tiso Blackstar head office acquisition finance reduced from R414 million (£24 million) to R395 million (£23 million)
- Interim dividend of 4.47275 cents (0.28465 pence) per share
- Proposed special dividend of R40 million (£2.5 million) on successful closure of KTH sale
- From 1 July 2016 to date, Tiso Blackstar bought back R13 million (£0.7 million) worth of shares, currently held in treasury
- Approval received to transfer the listing from Altx to the JSE Main Board subject to shareholder approval of the Company's Articles of Association amendments to comply with JSE Regulations

Beyond Print, Beyond News

Tiso Blackstar Group is a global media company with roots in Africa, operating market-leading newspaper, broadcast, digital and mobile properties focused on providing quality content and services to its varied audiences. The Group has strong exposure to the rapidly growing digital, broadcast and mobile markets, with a leading position in South Africa and a broad footprint across Kenya, Ghana and Nigeria.

Overview

The business has made significant progress in implementing the strategy of becoming a media and related services group and these results reflect the positive effects of this new focus. The interim results mark the first time that Tiso Blackstar has reported results on a consolidated basis.

Our core media operations were able to grow their earnings for the period despite difficult trading conditions. This is the result of the repositioning of the business by reducing the legacy cost base and implementing a more commercial, efficient and multi-platform business model.

During the period, we also announced the sale of our non-core 22.9% interest in Kagiso Tiso Holdings Proprietary Limited ("KTH") for R1.5 billion (£90 million) which is expected to close in May 2017. The Group's acquisition finance was reduced substantially over the period under review, and we envisage repaying all of the Tiso Blackstar head office debt in May 2017.

The move to our new premises in Johannesburg in April 2017 will facilitate a far more integrated news gathering and production process, resulting in further savings. The new newsroom will also allow for the integration of other digital and print functions.

Performance review

Effective 1 July 2016, there was a change in the Group's status from an Investment Entity as defined in IFRS 10 and the subsidiaries Times Media Group Proprietary Limited ("TMG"), Consolidated Steel Industries Proprietary Limited ("CSI"), Robor Proprietary Limited ("Robor"), and the property subsidiaries are no longer carried at fair value but rather accounted for as deemed acquisitions of subsidiaries on 1 July 2016 and consolidated from this date forward. The net identifiable assets of these subsidiaries have been recognised on balance sheet at fair value on 1 July 2016 resulting in goodwill being recognised. Investments in associates, Radio Africa Limited ("RAG" or "Radio Africa Group"), Multimedia Group Limited ("MMG" or "Multimedia Group") and Cooper Communications Limited ("Coopers"), which were previously held at fair value have been equity accounted from 1 July 2016.

In accordance with IFRS, the comparative periods ended 31 December 2015 and 30 June 2016 have not been restated and are disclosed on a fair value basis as has been previously reported. For this reason the comparative financial statements are separately disclosed from the current interim statements.

Segmental review

To assist shareholders in assessing the Group's performance over a period of time, pro forma information in the form of consolidated comparatives have been prepared for the segmental analysis on the assumption that Tiso Blackstar's holdings in these subsidiaries and associates was the same in the comparative periods as for the current reporting period ended 31 December 2016.

	Unaudited Six months ended 31 December 2016 R'000	Pro forma Six months ended 31 December 2015 R'000	Pro forma Twelve months ended 30 June 2016 R'000
Revenue			
Media	**1,304,728**	1,408,456	2,699,294
Retail Solutions	**865,148**	904,753	1,628,806
CSI	**1,249,706**	972,248	1,928,257
Robor	**1,114,768**	992,319	2,271,893
	4,534,350	4,277,776	8,528,250
EBITDA			
Media	**91,759**	86,395	155,614
Retail Solutions	**136,714**	128,459	206,606
CSI	**45,883**	39,374	58,959
Robor	**3,012**	14,439	87,648
Other	**(7,832)**	(20,078)	(31,134)
	269,536	248,589	477,693

Media

Media reflected the positive effects of the restructuring of the business over the past 18 months, with half-year EBITDA up 6.2% on the prior interim period to R91.8 million (£5.1 million).

The traditional media business (Newspapers, Magazines, Digital and Distribution) grew EBITDA earnings by 16.7% to R86.9 million (£4.9 million) from the prior six month comparative period. The combination of cost reductions and the introduction of new innovative revenue streams helped drive significant growth in earnings in flagship titles such as Sunday Times and Business Day, while magazines, supplements, events, digital and mobile all helped broaden the revenue base.

The growth in earnings came at the same time as a significant investment in digital, which reflected the audience growth required to deliver significant future revenues. The company's large and high quality digital audience is well placed to capture a greater share in a growing digital advertising market. The focus on maintaining EBITDA margins during the restructuring and transition phase has paid off, with a 1.6% improvement in the six month period.

The group's newspapers continued to grow their advertising market share rising to 25.9% in 2016 from 25.4% the year before. These products recorded declines in circulation, largely due to a managed reduction in unprofitable or lower yielding distribution into non-core markets. Circulation has stabilised in core markets and in some areas is now showing growth.

Magazines produced almost 40% earnings growth off the back of a 7% increase in revenues, supported by new subscriber products. The business is also significantly more agile and able to respond quickly to market changes.

The Broadcast and Content businesses produced solid improvement across most sectors, specifically in television and radio, although films distribution was impacted by difficult market conditions and dragged overall earnings lower. Music continues to trade profitably in a fast changing market.

TV production business Ochre showed strong growth having built a solid pipeline of contracts for various broadcasters, while channels business One Africa Television performed well in all areas except its motoring channel which was impacted by the weak motoring sector.

The company's two fledgling local stations, Vuma in KZN and Rise in Mpumalanga, both improved on prior year performance, with revenue increasing by 25% and 54% respectively.

The majority-held investment Smartcall Technology Solutions Proprietary Limited ("STS"), one of SA's biggest mobile content providers, grew revenues 34.0% and EBITDA 61.2% compared to the previous six month period, building its presence in the Southern African region and producing consistent earnings growth.

Retail Solutions

The Hirt & Carter Group ("H&C") continues to offer a strong value proposition to customers who are looking to reduce their overall cost of marketing through the addition of technology, innovation and leveraging the underlying efficiencies created.

During the period, H&C grew earnings and improved margins. H&C Software has been implementing new clients during the period delivering a 40% growth in billings. H&C is in the process of setting up a new division called Hive Digital, which will focus on delivering digital solutions to customers. Economic pressures continue to affect customers, which in turn affects our core retail clients.

Uniprint, performed well in the six month period despite very difficult trading conditions, including volatility of the currency and reduced volume experienced by Uniprint customers due to lower consumer demand. However, despite the trading conditions, Uniprint grew its EBITDA slightly over the prior period.

Uniprint acquired Triumph Printing and Packaging, a folding carton specialist business, in October 2016. This, consolidated with Uniprint's smaller Packaging business will result in cost savings and create economies of scale. The folding carton market is a growth segment and will enhance our product offering.

African Investments (investments in associates)

Our interests in East and West Africa Radio investments include market leading TV and radio interests in Ghana and Kenya, two of the most exciting growth markets north of South Africa. Tiso Blackstar holds a 49% interest in Radio Africa Group in Kenya which operates three of the top five radio stations in Nairobi and has a Digital Terrestrial Television ("DTT") operation with strategic partners. Multimedia Group, in which the Group holds a 32.2% interest, is situated in Ghana and operates three of the top six radio stations and a broad reaching free-to-air ("FTA") television platform and channels.

Multimedia Group produced strong earnings growth of over 200% in its full year to December 2016, driven principally by a strong turnaround in its TV operations. Radio Africa Group reported a 25% decline in EBITDA at half-year as a result of its investment into TV and economic uncertainty ahead of national elections this year.

In 2016, Tiso Blackstar invested in Coopers which includes a newly launched Nigerian radio station called Lagos Talks on 91.3 FM. Lagos Talks operates in the Talk Format and is focused on creating and encouraging conversations about issues that affect all residents of Lagos. The station also holds the Audio rights for the English Premier League. The launch of the station has been a huge success. Tiso Blackstar holds an effective 36.5% shareholding in Lagos Talk.

Robor

Tough economic conditions resulted in EBITDA declining despite revenue growing to R1.1 billion (£0.6 million). Anticipated completion of delayed project work should improve results in the second half of the financial year.

Consolidated Steel Industries

CSI performed particularly well in an exceptionally tough operating environment. Revenue grew to R1.2 billion (£0.1 billion) mainly through market share growth through strategy execution.

Financial review

Tiso Blackstar generated a profit of R39.8 million (£2.2 million) for the six months ended 31 December 2016.

Other gains (losses) of R23.0 million (£1.3 million) mainly comprise of the following: a R30.0 million (£1.7 million) profit on disposal of property, plant and equipment; a R12.2 million (£0.7 million) gain arising on step up acquisitions from associates to subsidiaries; a R8.2 million (£0.5 million) foreign exchange loss arising on translation of foreign investments and intergroup loans fixed in foreign currency; and exceptional non recurring expenses of R9.2 million (£0.5 million).

Share of profit of associates of R1.0 million (£0.05 million) comprises the Group's share of profits in RAG, MMG and Coopers. Profit from discontinued operations, net of taxation of R12.1 million (£0.7 million) includes the KTH dividend received as well KTH directors' fees earned.

Other comprehensive loss of R45.5 million (£0.4 million) recognised directly to equity (namely the Foreign Currency Translation Reserve) arose on translation of CSI's African subsidiaries and the Group's African based associates to Rands.

The investment in KTH held at fair value less costs to sell of R1.5 billion (£90 million) is disclosed as an asset held for sale. The related acquisition debt of R395.0 million (£23.3 million) which will be settled on receipt of the proceeds on disposal in May 2017, is separately disclosed under current liabilities.

Bank overdrafts and other short term borrowing facilities of R895.5 million (£52.8 million) include the working capital facilities held by trading subsidiaries. Tiso Blackstar generated cash from operations of R281.3 million (£15.7 million) during the reporting period.

Cash out flow of R611.3 million (£31.6 million) on acquisition of subsidiaries mainly comprises the net cash balances and other short term borrowing facilities of the subsidiaries (TMG, CSI and Robor) of R589.2 million (£30.2 million) on 1 July 2016. Borrowings of R190.0 million (£10.6 million) were repaid (including repayment of finance leases and instalment sale liabilities) during the current reporting period.

During the current reporting period, the Company repurchased a total of 1,153,589 Tiso Blackstar shares in the open market at a total cost of R10.7 million (£0.6 million). At 31 December 2016, the Company held 2,221,514 treasury shares representing 0.8% of the issued share capital. A dividend of R12.0 million (£0.7 million) was paid to shareholders in January 2017 in respect of the prior financial year.

Dividends

The Company places emphasis on making dividend payments on an interim and final basis and the Tiso Blackstar Board has approved an interim dividend of 4.47275 South African cents (0.28465 pence) per share. The exchange rates have been fixed for the calculation of the Euro and Pounds Sterling equivalents based on the closing exchange rates on Thursday, 16 March 2017 of EUR1=ZAR13.704 and GBP1=ZAR15.713.

The interim dividend will be paid from income reserves in accordance with the salient dates and times set out below:

Last day to trade on the South African register	Tuesday, 4 April 2017
Trading ex-dividend commences on the South African register	Wednesday, 5 April 2017
Trading ex-dividend commences on the UK register	Thursday, 6 April 2017
Record date for shareholders recorded on the UK and South African registers	Friday, 7 April 2017
Date of payment	Monday, 8 May 2017

Share certificates may not be dematerialised or rematerialised between Wednesday, 5 April 2017 and Friday, 7 April 2017, both days inclusive, and transfers between the UK register and the South African register may not take place between Monday, 20 March 2017 and Friday, 7 April 2017, both days inclusive. Dividend tax will be withheld from the amount of the gross dividend of 4.47275 South African cents per share paid to South African shareholders at the rate of 20% unless a shareholder qualifies for exemption. After the dividend tax has been withheld, the net dividend will be 3.57820 South African cents per share. There are no other taxes (foreign or otherwise) to be withheld from the dividend.

The Company had a total of 268,291,260 shares in issue (which includes 2,221,514 shares held in treasury) at the date on which the dividend was announced, 20 March 2017. The dividend will be distributed by Tiso Blackstar Group SE (Malta tax registration number 995944033) and is regarded as a foreign dividend from a South African perspective.

In addition to the above, a special dividend of R40.0 million (£2.5 million*) has been approved by the Board to be paid to shareholders conditional on completion of the KTH sale, and in due course shareholders will receive the relevant information regarding the special dividend.

* Pounds Sterling equivalent provided for disclosure purposes determined using the closing exchange rates on Thursday, 16 March 2017 as noted above. Special dividend per share to be determined on declaration date based on the number of shares in issue.

Black Economic Empowerment

Tiso Blackstar remains committed to transformation. TMG was proud to obtain a Level Three Contributor status and more than 51% black ownership with the revised Broad-Based Black Economic Empowerment Codes of Good practice ("B-BBEE") which came into effect on 1 May 2015. Refer to the investor presentation available on the website for further information.

Transfer of listing to the Main Board of the JSE Limited

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.

This will result in the Company having a dual primary listing on both AIM and the JSE Main Board, which the Board believes will widen the Company's potential investor base, develop the Company's governance framework and facilitate the Company's longer term growth ambitions.

An Extraordinary General Meeting ("EGM") will be requisitioned in order for shareholders to approve these amendments to the Articles of Association. At the same EGM, the Company will propose a long-term incentive scheme for employees of the Group. This scheme will aim to incentivise, attract and retain key employees and align their interests with that of shareholders.

It is anticipated that the migration, the EGM and the Main Board listing will be completed before the end of June 2017. Further information will be announced in relation to these matters in due course.

Outlook

The Company has laid a solid foundation for sustainable growth, with new diversified revenues and stabilised core businesses well set to take advantage of any improvements in the South African economy. Once Tiso Blackstar receives the proceeds from the sale of the KTH shareholding, the balance sheet will be significantly strengthened and interest costs will reduce substantially.

The core businesses have performed satisfactorily to date in 2017 with key revenue streams above prior year and earnings growth continuing. The transformation of the business into a multi-platform diversified media company is proving successful and our market-leading brands continue to provide strong cash flows to support future growth.

Highlights so far in 2017 include the successful launch and take-up of a paywall for our business titles Business Day and Financial Mail, continued growth in advertising in our key products, and growth in contractual income for our Retail Solutions business.

The Group intends to pay a special dividend of R40 million (£2.5 million*) once KTH sale proceeds have been received.

We are currently looking at acquisition opportunities both in South Africa and internationally that should add to the earnings of the Group.

Shareholders are advised that Tiso Blackstar has a detailed investor presentation which will be available on the Company's website www.tisoblackstar.com from 22 March 2017.

AD Bonamour	**DKT Adomakoh**
Non-executive Director	**Non-executive Chairman**
20 March 2017	

Interim condensed consolidated statements of income and other comprehensive income

Six months ended 31 December 2016 Unaudited R'000		Notes	Six months ended 31 December 2016 Unaudited £'000
4,534,350	**Revenue**		**253,334**
(3,684,806)	Cost of sales		**(205,870)**
849,544	**Gross profit**		**47,464**
(605,633)	Operating expenses		**(33,836)**
(117,017)	Depreciation, amortisation and straight-lining of leases charge		**(6,536)**
19,534	Other income		**1,092**
146,428	**Operating profit**		**8,184**
23,047	Other gains (losses)		**1,279**
169,475	**Net profit**		**9,463**
4,211	Finance income		**235**
(118,327)	Finance costs	**3**	**(6,611)**
995	Share of profit of associates and joint ventures		**56**
56,354	**Profit before taxation**		**3,143**
(28,679)	Taxation		**(1,602)**
27,675	**Profit from continuing operations**		**1,541**
12,136	Profit from discontinued operation, net of taxation	**4**	**678**
39,811	**Profit for the period**		**2,219**
	Profit (Loss) for the period attributable to:		
46,745	Equity holders of the Group		**2,606**
(6,934)	Non-controlling interest		**(387)**
39,811			**2,219**
39,811	**Profit for the period**		**2,219**
(45,522)	**Other comprehensive (loss) income, net of taxation - items that may subsequently be reclassified to profit and loss:**	**5**	**25,825**
(45,522)	Currency translation differences on the translation of foreign operations		**418**
-	Currency translation differences on the translation of Rand denominated Group entities to presentational currency		**25,407**
(5,711)	**Total comprehensive (loss) income for the period**		**28,044**
	Total comprehensive (loss) income attributable to:		
1,223	Equity holders of the Group		**26,870**
(6,934)	Non-controlling interest		**1,174**
(5,711)			**28,044**
17.50	Basic and diluted earnings per share (in cents/pence)	**6**	**0.98**
12.95	Basic and diluted earnings per share from continuing operations (in cents/pence)	**6**	**0.72**
3.05	Basic and diluted headline earnings per share (in cents/pence)	**6**	**0.17**
267,175	Weighted average number of shares (net of treasury shares, in thousands)		**267,175**

Interim condensed consolidated statement of financial position

31 December 2016 Unaudited R'000		Notes	31 December 2016 Unaudited £'000
	ASSETS		
3,866,350	**Non-current assets**		**228,103**
904,632	Property, plant and equipment		**53,371**
17,617	Investment properties		**1,039**
1,139,846	Goodwill		**67,247**
1,296,419	Other intangible assets		**76,485**
392,172	Investments in associates and joint ventures		**23,137**
34,530	Other investments, loans and receivables		**2,037**
81,134	Deferred taxation		**4,787**
2,750,488	**Current assets**		**162,271**
1,057,827	Inventory		**62,409**
1,419,448	Trade and other receivables		**83,743**
273,213	Cash and cash equivalents	**7**	**16,119**
1,520,000	**Assets held for sale**	**4**	**89,676**
8,136,838	**TOTAL ASSETS**		**480,050**
	EQUITY AND LIABILITIES		
3,465,863	**Capital and reserves attributable to the Group's equity holders**		**204,477**
3,255,248	Share capital and premium		**203,564**
(20,494)	Treasury shares		**(1,066)**
443	Other reserves		**(22,033)**
230,666	Retained earnings		**24,012**
200,936	**Non-controlling interest**		**11,854**
3,666,799	**TOTAL EQUITY**		**216,331**
	LIABILITIES		
1,274,855	**Non-current liabilities**		**75,213**
801,377	Borrowings		47,279
54,088	Other liabilities		3,191
71,837	Post-retirement benefits liabilities		4,238
347,553	Deferred taxation		20,505
2,800,184	**Current liabilities**		**165,202**
1,609,776	Trade and other payables		94,972
179,866	Borrowings		10,611
105,532	Other liabilities		6,226
9,518	Post-retirement benefits liabilities		562
895,492	Bank overdrafts and other short term borrowing facilities	**7**	52,831
395,000	**Liability associated with non-current assets held for sale**	**4**	**23,304**
4,470,039	**TOTAL LIABILITIES**		**263,719**
8,136,838	**TOTAL EQUITY AND LIABILITIES**		**480,050**

Interim condensed consolidated statement of changes in equity

Twelve months ended 30 June 2016 Audited R'000	Six months ended 31 December 2015 Unaudited R'000	**Six months ended 31 December 2016 Unaudited R'000**		**Six months ended 31 December 2016 Unaudited £'000**	Six months ended 31 December 2015 Unaudited £'000	Twelve months ended 30 June 2016 Audited £'000
4,402,314	**4,402,314**	**3,493,549**	**Balance at the beginning of the period**	**179,223**	**230,416**	**230,416**
			Changes in share capital and premium			
18,025	18,025	-	Shares issued for investment acquisition	-	863	863
			Changes in reserves			
(906,869)	813	1,223	Total comprehensive income for the period	26,870	(37,446)	(51,121)
(11,090)	(9,469)	(10,697)	Movement in treasury shares	(598)	(454)	(530)
1,293	1,293	-	Shares issued for investment acquisition	-	62	62
(445)	(445)	(6,208)	Effect of acquisitions and disposals of subsidiaries	(347)	(19)	(19)
(10,013)	-	(12,004)	Dividends payable	(671)	-	(466)
3,493,215	**4,412,531**	**3,465,863**	**Total equity attributable to the Group's equity holders**	**204,477**	**193,422**	**179,205**
			Changes in non-controlling interest			
-	-	(6,934)	Total comprehensive income for the period	1,174	-	-
334	334	214,627	Effect of acquisitions and disposals of subsidiaries	11,058	18	18
-	-	(6,757)	Dividends paid to non-controlling shareholders	(378)	-	-
3,493,549	**4,412,865**	**3,666,799**	**Balance at the end of the period**	**216,331**	**193,440**	**179,223**
			Comprising:			
3,255,248	3,255,248	3,255,248	Share capital and premium	203,564	203,564	203,564
(9,797)	(8,176)	(20,494)	Treasury shares reserve	(1,066)	(392)	(468)
52,173	52,173	443	Other reserves	(22,033)	(74,547)	(45,950)
195,925	1,113,620	230,666	Retained earnings	24,012	64,815	22,077
-	-	200,936	Non-controlling interest	11,854	-	-
3,493,549	**4,412,865**	**3,666,799**		**216,331**	**193,440**	**179,223**

An interim dividend of R10.0 million (£0.5 million) was declared in respect of the interim period ended 31 December 2015 and paid on 13 June 2016.
A final dividend of R12.0 million (£0.7 million) was declared in respect of the year ended 30 June 2016 and paid on 19 January 2017.

Interim condensed consolidated statement of cash flows

Six months ended 31 December 2016 Unaudited R'000		Notes	Six months ended 31 December 2016 Unaudited £'000
	Cash flows from operating activities		
281,291	Cash generated from operations		15,742
18,695	Dividend income received from investments		1,044
(115,001)	Net finance costs paid		(6,425)
1,200	Taxation refund received		67
(12,740)	Taxation paid		(712)
173,445	**Net cash generated by operating activities**		9,716
	Cash flows from investing activities		
(176,056)	Acquisitions of tangible assets		(9,836)
102,957	Proceeds on disposal of tangible assets		5,752
(17,634)	Acquisitions of investments		(980)
2,676	Proceeds on disposal of investments		150
(3,774)	Acquisitions of intangible assets		(211)
(611,268)	Acquisitions of subsidiaries/businesses	8	(31,627)
(703,099)	**Net cash utilised by investing activities**		(36,752)
	Cash flows from financing activities		
101,653	Borrowings raised		5,679
(189,910)	Borrowings repaid		(10,589)
(10,697)	Purchase of treasury shares		(598)
(6,757)	Dividends paid to non-controlling shareholders		(378)
(105,711)	**Net cash utilised by financing activities**		(5,886)
(635,365)	**Net decrease in cash and cash equivalents**		(32,922)
13,086	Net cash and cash equivalents at the beginning of the period		671
-	Exchange losses on cash and cash equivalents		(4,461)
(622,279)	**Net cash and cash equivalents at the end of the period**	7	(36,712)

Interim condensed consolidated statement of comprehensive income

Comparatives provided for the six months ended 31 December 2016

Twelve months ended 30 June 2016 Audited R'000	* As restated Six months ended 31 December 2015 Unaudited R'000		Notes	* As restated Six months ended 31 December 2015 Unaudited £'000	Twelve months ended 30 June 2016 Audited £'000
422,952	400,366	Investment-related income		19,199	19,696
(1,036,271)	(453,250)	Net fair value and foreign exchange (losses) gains		(21,735)	(48,258)
(63,877)	(37,477)	Operating expenses		(1,797)	(2,976)
(677,196)	(90,361)	**Operating loss**		(4,333)	(31,538)
(48,865)	(24,452)	Net finance costs		(1,173)	(2,276)
1,251	465	Finance income		22	58
(50,116)	(24,917)	Finance costs		(1,195)	(2,334)
(726,061)	(114,813)	**Loss before taxation**		(5,506)	(33,814)
(955)	(33)	Taxation		(2)	(45)
(727,016)	(114,846)	**Loss from continuing operations**		(5,508)	(33,859)
		Discontinuing operations			
(179,853)	115,659	Profit (Loss) from discontinued operation, net of taxation	4	5,546	(8,375)
(906,869)	813	**Profit (Loss) for the period**		38	(42,234)
		Other comprehensive loss - items that may subsequently be reclassified to profit and loss:			
-	-	Currency translation differences on the translation of Rand denominated Group entities		(37,484)	(8,887)
-	-	**Total other comprehensive loss recognised directly in equity**		(37,484)	(8,887)
(906,869)	813	**Total comprehensive income (loss) for the period**		(37,446)	(51,121)
		Profit (Loss) for the period attributable to:			
(906,869)	813	Equity holders of the parent		38	(42,234)
-	-	Non-controlling interests		-	-
(906,869)	813			38	(42,234)
		Total comprehensive income (loss) attributable to:			
(906,869)	813	Equity holders of the parent		(37,446)	(51,121)
-	-	Non-controlling interests		-	-
(906,869)	813			(37,446)	(51,121)
(339.40)	0.30	Basic and diluted earnings (losses) per share (in cents/pence)	6	0.01	(15.81)
(272.09)	(43.00)	Basic and diluted losses per share from continuing operations (in cents/pence)	6	(2.06)	(12.67)
(339.12)	0.49	Basic and diluted headline earnings (losses) per share (in cents/pence)	6	0.02	(15.79)
267,199	267,093	Weighted average number of shares (net of treasury shares, in thousands)		267,093	267,199

* Restated for discontinued operation - refer note 4

Interim condensed consolidated statement of financial position

Comparatives provided for the six months ended 31 December 2016

30 June 2016 Audited R'000	31 December 2015 Unaudited R'000		31 December 2015 Unaudited £'000	30 June 2016 Audited £'000
		Assets		
2,343	2,514	Deferred tax assets	110	120
4,331	4,559	Equipment	200	222
2,369,958	4,800,693	Financial assets at fair value through profit and loss	210,442	121,581
1,955,133	2,792,192	Net investments in subsidiaries	122,398	100,300
399,697	1,993,699	Net investments in associates	87,395	20,505
15,128	14,802	Financial assets held for trading	649	776
1,520,000	-	Assets held for sale	-	77,978
198	228	Current tax assets	10	10
4,008	3,820	Trade and other receivables	167	206
13,086	29,208	Cash and cash equivalents	1,280	671
3,913,924	4,841,022	**Total assets**	212,209	200,788
		Liabilities		
(84)	-	Deferred tax liabilities	-	(4)
(1,195)	(663)	Other financial liabilities	(29)	(61)
(413,766)	(421,573)	Borrowings	(18,480)	(21,227)
(160)	-	Current tax liabilities	-	(8)
(5,170)	(5,921)	Trade and other payables	(260)	(265)
(420,375)	(428,157)	**Total liabilities**	(18,769)	(21,565)
3,493,549	4,412,865	**Total net assets**	193,440	179,223
		Equity		
2,554,036	2,554,036	Share capital	164,201	164,201
701,212	701,212	Share premium	39,363	39,363
52,173	52,173	Capital redemption reserve	4,599	4,599
(9,797)	(8,176)	Treasury shares reserve	(392)	(468)
-	-	Foreign currency translation reserve	(79,146)	(50,549)
195,925	1,113,620	Retained earnings	64,815	22,077
3,493,549	4,412,865	**Total equity attributable to equity holders**	193,440	179,223
-	-	Non-controlling interests	-	-
3,493,549	4,412,865	**Total equity**	193,440	179,223

Interim condensed consolidated statement of cash flows

Comparatives provided for the six months ended 31 December 2016

Twelve months ended 30 June 2016 Audited R'000	Six months ended 31 December 2015 Unaudited R'000		Six months ended 31 December 2015 Unaudited £'000	Twelve months ended 30 June 2016 Audited £'000
		Cash flow from operating activities		
(43,599)	3,883	Cash generated (absorbed) by operations	186	(2,033)
(16,864)	(45,824)	Additions to investments	(2,198)	(759)
55,840	33,109	Proceeds from investments	1,589	2,588
99,469	74,691	Dividend and interest income received	3,582	4,632
(1,603)	(332)	Taxation paid	(16)	(75)
93,243	65,527	**Cash generated by operating activities**	3,143	4,353
		Cash flow from investing activities		
(3,698)	(3,698)	Purchase of equipment	(177)	(172)
25	-	Proceeds on disposal of equipment	-	1
1,251	465	Finance income received	22	58
(9)	-	Disposal of subsidiary, net of cash received	-	-
(2,431)	(3,233)	**Cash absorbed by investing activities**	(155)	(113)
		Cash flow from financing activities		
(26,234)	(18,427)	Borrowings repaid	(884)	(1,222)
(50,116)	(24,917)	Finance costs paid	(1,195)	(2,334)
(11,090)	(9,469)	Purchase of treasury shares	(454)	(530)
(10,013)	-	Dividends paid to equity holders of the parent	-	(466)
(97,453)	(52,813)	**Cash absorbed by financing activities**	(2,533)	(4,552)
(6,641)	9,481	**Net increase (decrease) in cash and cash equivalents**	455	(312)
19,727	19,727	Cash and cash equivalents at the beginning of the period	1,032	1,032
-	-	Exchange losses on cash and cash equivalents	(207)	(49)
13,086	29,208	**Cash and cash equivalents at the end of the period**	1,280	671

1. Basis of preparation

These condensed financial statements of the Group are prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards ("IFRSs") published by the International Accounting Standards Board ("IASB") as endorsed for use by the European Union. They are prepared on the going concern principle, using the historical cost basis, except for financial assets and financial liabilities held at fair value through profit and loss that have been measured at fair value, and the accounting policies which are expected to be applied in the preparation of the Group's annual financial statements for the year ending 30 June 2017. The Group has chosen not to adopt IAS 34 Interim Financial Statements in preparing the consolidated interim financial statements.

The accounting policies and methods of computation are consistent with those applied in the annual financial statements for the year ended 30 June 2016 with the exception of the changes adopted as a result of the Group's change in status as an Investment Entity as detailed in note 2 below.

The financial information in this half-yearly report is unaudited and does not constitute statutory accounts for the purposes of the Maltese Companies Act, 1995. The half-yearly report should be read in conjunction with the Group's statutory accounts for the year ended 30 June 2016, which are prepared under IFRS and upon which an unqualified auditors' report was given. The statutory accounts as at 30 June 2016 are available from the Company's website, www.tisoblackstar.com, or by writing to the Company Secretary.

The functional currency of the Company is the South African Rand, being the currency of the primary economic environment in which the Company and its subsidiaries operate. Tiso Blackstar is dual listed with a primary listing on the AIM market of the London Stock Exchange ("AIM") and a secondary listing on the Altx of the JSE Limited ("JSE") in South Africa. As a result, Tiso Blackstar has two presentational currencies being South African Rand ("Rand") and Pounds Sterling ("Pounds Sterling").

2. Change in status as an Investment Entity

Effective 1 July 2016, there was a change in the Group's status as an Investment Entity as defined in IFRS 10 Consolidated Financial Statements. IFRS 10 specifies that an entity that ceases to be an Investment Entity shall account for the change in its status prospectively from the date at which the change in status occurred. Further guidance from IFRS 10 specifies that when an entity ceases to be an Investment Entity, it shall apply IFRS 3 Business Combinations to any subsidiary that was previously measured at fair value through profit or loss. The date of the change of status shall be the deemed acquisition date. The fair value of the subsidiary at the deemed acquisition date (being the carrying value of the investment as at 30 June 2016) shall represent the transferred deemed consideration when measuring any goodwill or gain from a bargain purchase that arises from the deemed acquisition. All subsidiaries are consolidated in accordance with IFRS 10 from the date of change of status.

Effective 1 July 2016, Tiso Blackstar no longer accounted for its net investments in subsidiaries and associates as investments held at fair value through profit and loss but rather consolidated its subsidiaries and equity accounted for its investments in associates. Subsidiaries which are no longer carried at fair value but rather consolidated comprise TMG, CSI, Robor and the property subsidiaries. Details of the impact of the consolidation of these subsidiaries are provided in note 8. Investments in associates RAG, MMG and Coopers have been equity accounted from 1 July 2016.

In accordance with IFRS 10, the comparative periods ended 31 December 2015 and 30 June 2016 have not been restated (with the exception of the discontinued operation, refer note 4) and are disclosed on a fair value basis. Due to the significant change in the nature of the statements, the comparatives are provided as separate statements and are not included as additional columns within the current year's statements.

3. Finance costs

Finance costs for the current reporting period can be analysed as follows:

Six months ended 31 December 2016 Unaudited R'000		Six months ended 31 December 2016 Unaudited £'000
49,426	TMG	**2,761**
20,908	CSI (non-core subsidiary)	**1,168**
16,831	Robor (non-core subsidiary)	**940**
31,162	Other:	**1,742**
25,281	Finance cost on acquisition debt to be settled on completion of KTH sale	**1,413**
5,881	Finance cost within the property subsidiaries relating to investment properties, the majority of which were sold during the period	**329**
118,327		**6,611**

4. Discontinued operation

In the prior year, Tiso Blackstar announced its change in strategy to focus on investments in media and related industries, and to therefore dispose of its non-core assets. In line with this, Tiso Blackstar commenced negotiations to dispose of its interest in KTH during the previous reporting period and subsequently concluded an agreement of sale which is expected to be completed in May 2017.

In the prior year ended 30 June 2016, KTH was disclosed as a discontinued operation, and classified and disclosed as a non-current asset held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Comparatives for the six months ended 31 December 2015 have been restated for this discontinued operation and for the current reporting period relating income and expenses associated with the investment in the associate have been disclosed under the discontinued operation. At 31 December the investment in KTH (carried at fair value less costs to sell) remains disclosed as a non-current asset held for sale on the consolidated statement of financial position. As Tiso Blackstar is required to use the sale proceeds to settle the relating acquisition debt on conclusion of the sale (and has disclosed its intention to do so), the relating acquisition debt is separately disclosed as a Liability associated with non-current assets held for sale.

5. Other comprehensive (loss) income, net of taxation

Other comprehensive (loss) income comprises of the foreign currency translation adjustments recognised in the Foreign Currency Translation Reserve. These currency adjustments arise on restatement of the Group's investments in its African based associates RAG, MMG and Coopers as well as the African based foreign operations held by CSI and TMG to the Group's functional currency Rands at the closing rate at 31 December 2016. An additional charge to other comprehensive income arises in the Pounds Sterling statement of comprehensive income as a result of the translation of the Group's results from its functional currency Rands to its presentational currency Pounds Sterling.

Currency translation differences recognised in other comprehensive (loss) income comprises of the following:

Six months ended 31 December 2016 Unaudited R'000		Six months ended 31 December 2016 Unaudited £'000
(45,522)	On translation of the following foreign operations and associates:	**418**
(2,757)	Foreign operations held by CSI and TMG	**(154)**
(16,126)	Investment in associate RAG	**641**
(24,929)	Investment in associate MMG	**(50)**
(1,710)	Investment in associate Coopers	**(19)**
-	On translation of the Group's results from Rands to Pounds Sterling	**25,407**
(45,522)	**Other comprehensive (loss) income, net of taxation per the statement of comprehensive income**	**25,825**

6. Basic and diluted headline earnings (losses) per share^

Twelve months ended 30 June 2016 Audited R'000	* As restated Six months ended 31 December 2015 Unaudited R'000	**Six months ended 31 December 2016 Unaudited R'000**		**Six months ended 31 December 2016 Unaudited £'000**	* As restated Six months ended 31 December 2015 Unaudited £'000	Twelve months ended 30 June 2016 Audited £'000
(727,016)	(114,846)	**34,609**	Profit (Loss) for the period attributable to equity holders of the Group from continuing operations	**1,928**	(5,508)	(33,859)
(179,853)	115,659	**12,136**	Profit (Loss) for the period attributable to equity holders of the Group from the discontinued operation	**678**	5,546	(8,375)
(906,869)	813	**46,745**	**Profit (Loss) for the period attributable to equity holders of the Group**	**2,606**	38	(42,234)
-	-	**(36,808)**	Gains on investment properties	**(2,056)**	-	-
-	-	**(12,183)**	Revaluation gain on acquisition of controlling interest	**(681)**	-	-
-	-	**(1,745)**	Gain on bargain purchase	**(90)**	-	-
-	-	**2,411**	Loss on disposal of investments	**135**	-	-
3	4	**(697)**	(Profit) Loss on disposal of equipment	**(39)**	-	-
737	697	**-**	Impairment of loans designated at fair value through profit and loss	**-**	33	34
(1)	(196)	**10,434**	Total tax effects of adjustments	**583**	(9)	-
(906,130)	1,318	**8,157**	**Headline earnings (losses)**	**458**	62	(42,200)
267,199	267,093	**267,175**	**Weighted average number of shares in issue (net of treasury shares, in thousands)**	**267,175**	267,093	267,199
(339.40)	0.30	**17.50**	Basic and diluted earnings (losses) per share (in cents/pence)	**0.98**	0.01	(15.81)
(272.09)	(43.00)	**12.95**	Basic and diluted earnings (losses) per share from continuing operations (in cents/pence)	**0.72**	(2.06)	(12.67)
(339.12)	0.49	**3.05**	Basic and diluted headline earnings (losses) per share (in cents/pence)	**0.17**	0.02	(15.79)

^ Disclosure of headline earnings has been provided in accordance with the JSE Listing Requirements

* Restated for discontinued operation - refer note 4

7. Net cash and cash equivalents

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

31 December 2016 Unaudited R'000		31 December 2016 Unaudited £'000
(14,347)	TMG	(846)
(289,838)	CSI (non-core subsidiary)	(17,100)
(330,811)	Robor (non-core subsidiary)	(19,517)
12,717	Other	751
(622,279)		(36,712)
273,213	Cash and cash equivalents	16,119
(895,492)	Bank overdrafts and other short term borrowing facilities	(52,831)
(622,279)	**Net cash and cash equivalents per the statement of cash flow**	**(36,712)**

8. Business combinations

Per note 2, effective 1 July 2016, there was a change in the Group's status as an Investment Entity as defined in IFRS 10 and from this date, the Group applied IFRS 3 Business Combinations to any subsidiary that was previously measured at fair value through profit or loss. The fair value of the subsidiary as at 1 July 2016 ("Deemed Acquisition Date") represents the transferred "Deemed Consideration" when measuring any goodwill or gain from a bargain purchase that arises from the deemed acquisition. All subsidiaries were consolidated in accordance with IFRS 10 from the date of change of status.

Subsidiaries which are no longer carried at fair value but rather consolidated ("the Deemed Acquisitions") comprise TMG, CSI, Robor and the property subsidiaries. Details of the significant classes of assets and liabilities recognised as a result of the Deemed Acquisitions are provided below. During the period ended 31 December 2016, other, less significant acquisitions of subsidiaries and businesses took place ("Other Business Acquisitions").

The initial accounting for some of the business acquisitions has only been provisionally determined at the reporting date. At the date of finalisation of these condensed consolidated interim financial statements, the necessary market valuations and other calculations for certain Other Business Acquisitions had not been finalised and they have therefore only been provisionally determined based on the directors' best estimate of the likely values. If new information obtained within one year of the date of any of the acquisitions about facts and circumstances that existed at the date of acquisition, identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

8. Business combinations (continued)

Deemed Acquisitions	Other Business Acquisitions	Total		Total	Other Business Acquisitions	Deemed Acquisitions
Six months ended 31 December 2016				Six months ended 31 December 2016		
Unaudited	Unaudited	Unaudited		Unaudited	Unaudited	Unaudited
R'000	R'000	R'000		£'000	£'000	£'000
872,187	40,785	912,972	Tangible assets	47,020	2,277	44,743
1,316,242	8,184	1,324,426	Intangible assets	67,982	457	67,525
64,333	-	64,333	Investments in associates, joint ventures and other investments and loan receivables	3,301	-	3,301
1,147,278	16,642	1,163,920	Inventory	59,786	929	58,857
1,452,004	117,398	1,569,402	Trade and other receivables	80,675	6,186	74,489
129,859	36,654	166,513	Cash and cash equivalents	8,542	1,880	6,662
385	-	385	Non-controlling interests	20	-	20
(262,954)	(3,706)	(266,660)	Net deferred taxation	(13,706)	(216)	(13,490)
(1,217,288)	(19,447)	(1,236,735)	Borrowings and other liabilities	(63,536)	(1,087)	(62,449)
(42,601)	-	(42,601)	Contingent liabilities	(2,185)	-	(2,185)
(1,684,389)	(130,112)	(1,814,501)	Trade and other payables	(93,165)	(6,754)	(86,411)
(719,086)	(11,894)	(730,980)	Bank overdrafts and other short term borrowing facilities	(37,555)	(665)	(36,890)
1,055,970	54,504	1,110,474	**Identifiable assets and liabilities at fair value at acquisition/ Deemed Acquisition Date**	57,179	3,007	54,172
(204,679)	(3,951)	(208,630)	Non-controlling interests	(10,703)	(202)	(10,501)
1,105,587	34,261	1,139,848	Goodwill	58,478	1,759	56,719
(1,745)	-	(1,745)	Gain on bargain purchase	(90)	-	(90)
1,955,133	84,814	2,039,947	Total	104,864	4,564	100,300
(1,955,133)	(38,013)	(1,993,146)	Less Deemed Consideration on change in status as an Investment Entity and fair value of existing shareholding on step up acquisitions	(102,250)	(1,950)	(100,300)
-	46,801	46,801	**Purchase consideration paid in cash**	2,614	2,614	-
			Cash flow			
-	(46,801)	(46,801)	Cash consideration paid for Other Business Acquisitions	(2,614)	(2,614)	-
(589,227)	24,760	(564,467)	Consolidated cash from acquisitions	(29,013)	1,215	(30,228)
(589,227)	(22,041)	(611,268)	**Cash flow on acquisition**	(31,627)	(1,399)	(30,228)

9. Segmental analysis

As a result of its change in status from an Investment Entity, the Group has reviewed its segments and identified its operating segments based on the nature of the operating segment. The reportable segments are as follows:

- Media: the division houses the Group's interest in the distribution of knowledge and content via print, online and radio assets and other platforms;
- Retail Solutions: the division includes the activities on retail advertising production systems and related database management and development, and retail print via H&C and Uniprint;
- African investments: includes the Group's interests in the associates RAG in Kenya, MMG in Ghana and Coopers in Nigeria;
- CSI: a wholly owned subsidiary comprising of Stalcor which is 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 which is a steel roofing and cladding company;
- Robor: in which the Group holds a 51% interest is a manufacturer and supplier of welded steel tube and pipe and cold formed steel profiles; and
- Other: comprising of investments that are not deemed to be material to the Group including the property subsidiaries, assets held for sale (KTH), and other consolidated Group companies.

Refer to the Directors' statement for the detailed segmental analysis for the current financial period.

A reconciliation of the EBITDA per segmental analysis to the net profit for the period per the statement of comprehensive income is provided below:

	Six months ended 31 December 2016 Unaudited R'000
EBITDA	**269,536**
Depreciation	**(63,119)**
Amortisation	**(35,909)**
Straight-lining of leases	**(17,989)**
Net profit (loss) on disposal of assets	**30,204**
Exceptional/non recurring net gains (losses)	**(13,248)**
Net profit per the statement of comprehensive income	**169,475**

10. Results presentation

Shareholders are advised that Tiso Blackstar has a detailed investor presentation which is available on the Company's website www.tisoblackstar.com.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

20 March 2017

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