Tiso Blackstar Group SE
Unaudited Interim Results
For the six months ended 31 December 2015

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

- Reduced acquisition leverage;
- Disposal of properties;
- Tiso Blackstar intends to become a single sector company, focused on media;
- Identifying non-core investments and exiting at the appropriate time to maximise value;
- Intrinsic NAV was flat over the period; and
- Interim dividend declared of 3.74 cents (0.17 pence) per ordinary share.

Commentary

Strategic direction

Tiso Blackstar Group SE ("Tiso Blackstar" or the "Company" or the "Group") has expanded significantly in the past 12 months, building a diverse portfolio of assets and a strong core of media-focused investments. The result has been the establishment of a stronger balance sheet and the scale to continue to take advantage of market opportunities in a turbulent economic climate.

In the process, the Group has identified media as an attractive high value sector across the African continent with an opportunity to take advantage of (ground level or early stage) participation in potential high growth markets, particularly the broadcast markets of East and West Africa. At the same time the potential for value-accretive consolidation in the more mature South African market is expected to emerge in coming months, as well as potential bolt-on media opportunities internationally.

As a result, Tiso Blackstar has decided to become a single sector investment holding company, with a focus on the media industry and its ongoing evolution, allowing a concentrated approach and reducing the potential dilutory valuation effects on the Group of a multi-industry investment counter.

Many media sector businesses demonstrate attractive investment characteristics of leading market positions, growth prospects, and in particular strong cash flow. Tiso Blackstar will continue to consider acquisitions to complement its existing market leading media assets in South Africa, Kenya, Ghana and Nigeria. Each opportunity will be considered in terms of whether Tiso Blackstar can add value by leveraging off its existing asset base whether it meets an acceptable risk return profile, whether it has a coherent and achievable strategy, and whether the acquired opportunity can be leveraged to benefit the existing asset base.

With Tiso Blackstar investing in a media-sector specific approach, the Company will have a very clear focus. The shift away from being an investment holding company with a generalist philosophy, will allow Tiso Blackstar to focus its resources on developing its existing brands and media businesses that already hold leading positions in their respective markets. The change will enable Tiso Blackstar to leverage off its successful media expertise, intellectual capital and operational ability.

As a result, the Tiso Blackstar Board anticipates that with time, Tiso Blackstar's share price will be driven more by underlying earnings than Intrinsic Net Asset Value ("Intrinsic NAV").

The shift in focus will however mean that some of Tiso Blackstar's assets have become non-core. We anticipate exiting these assets in the short to medium term, in a manner that is measured and orderly, and in line with our past experience of achieving optimal exit value for shareholders. We will manage this sensibly, taking into account the responsibilities to key stakeholders in these businesses.

Executive Summary

Overall, Tiso Blackstar performed in line with expectations in the face of a tough South African economy that has shown sluggish growth and exchange rate volatility. Consumers are 'feeling the pinch', and this translates to lower consumer spending.

Times Media Group Limited's ("TMG" or "Times Media") Media Division in particular has been adversely affected by the economic downturn, particularly since its operations leverage off economic growth.

Hirt & Carter ("H&C") and Uniprint, divisions of TMG, have produced earnings slightly ahead of the previous period. Despite the market challenges, both businesses are proving resilient.

The combination of a weak economy, declining circulation and reduced marketing spend in print and other platforms needs to result in consolidation in the industry sooner rather than later. There are too many titles competing for declining advertising spend and unless there is a conscious effort to consolidate, there may be significant failures. Many titles in South Africa are marginal and will struggle to survive further declines without fundamental change.

All our newspaper titles, except one, remain profitable and our journalists continue to win awards for their content. Nonetheless, during the period under review, we began the process of fundamentally changing our media business, investing in design, enhancing work flows, strengthening content, streamlining distribution and evolving to digital. A number of tough choices need to be made in our Media Division in the face of declining advertising revenues, especially from government, and in line with international trends. We are also looking at a range of new revenue streams, some of which are already delivering earnings. The business has a host of legacy structures, issues and an unwieldy cost base which need to change urgently in order to adapt to the new era of media. This process is well underway.

During the period under review, Kagiso Tiso Holdings Proprietary Limited's ("KTH") Intrinsic NAV declined by 5.6%. An increase in value of its unlisted assets, particular Kagiso Media Proprietary Limited ("Kagiso Media"), was dampened by declines in value of its listed assets, particularly MMI Holdings Limited ("MMI"), Exxaro Resources Limited ("Exxaro Resources") and AECI Limited ("AECI"). Since 31 December 2015, MMI and Exxaro Resource's share prices have since recovered, increasing by 13.5% and 67.1% respectively as at 21 March 2016. These significant share price movements were in line with their peers.

Robor Proprietary Limited ("Robor") and Consolidated Steel Industries Proprietary Limited ("CSI") performed ahead of expectations as a result of good management and cost control. Robor's valuation increased by R105.8 million (£4.0 million). The increase in Robor was largely due to Tiso Blackstar increasing its stake in Robor from 19.4% to 51.0%. Their respective operating environments do however remain extremely difficult. CSI continues to grow market share in South Africa, and growth into the rest of Africa continues. Robor is increasingly realising benefit from the advancement of solar energy projects.

As a result of the above, the Group's Intrinsic NAV was flat over the period.

At the time of reporting, acquisition borrowing was reduced to:

- R419 million (£20 million) by Tiso Blackstar (R441 million (£21 million) at October 2015); and
- R765 million (£37 million) by TMG (R800 million (£39 million) at October 2015).

During the period under review, R74.7 million (£3.6 million) was received in the form of dividends and interest income. The majority of the dividend income received consists of R45.0 million (£2.2 million) from TMG; R19.2 million (£0.9 million) from KTH; and R10.5 million (£0.5 million) from Tiso Blackstar Real Estate Proprietary Limited ("TBRE"). The Company also received R10.0 million (£0.5 million) from CSI for the reporting period.

Investment overview

A summary overview of Tiso Blackstar's investments is provided below.

TMG

During the current reporting period, TMG's EBITDA was R209 million.

Media Division

TMG's media assets comprise newspapers, magazines and digital publishing (Media Division).

The Media Division is a premier newspaper, digital and magazine publisher with some of the most recognised brands in Africa. Titles include *Sunday Times*, *Business Day*, *Sowetan*, *The Herald*, *Daily Dispatch*, *Timeslive*, *Sowetanlive* and *BD Live*, amongst others.

Media earnings were down as a result of continued economic weakness. As the biggest-selling national newspaper in South Africa, the *Sunday Times* has been most affected by the cyclical nature of advertising markets, but will also be one of the first to benefit from an economic upswing. The *Sunday Times* and *Sowetan* were the hardest hit whilst *Business Day*, *Financial Mail* and the Eastern Cape titles, all grew earnings. All titles remain profitable with the exception of *Sunday World*.

The newspaper industry faces numerous challenges given the current economic climate: the audience shift towards digital consumption, as well as competition for advertising revenues from other platforms including television. These have been exacerbated by a significant decline in advertising spend by government authorities. The Media Division has maintained or grown its market share in the key advertising segments in the current period, underlining that the industry impact of the factors listed above is significant.

EBITDA for the Media Division was R72 million for the period under review (prior period R102 million).

The Media Division has acquired new revenue streams through eventing, and is committed to capturing increased market share in certain advertising sectors. It has successfully launched various initiatives to help grow magazine type revenues and deliver increased value to readers.

The investment in digital, chiefly in acquiring a top class digital leadership team and in developing new systems, technologies and applications, has resulted in significant online audience growth, and has seen digital advertising revenues grow more than 15% year-on-year. Further growth in digital advertising and digital subscription revenues is expected in the coming year.

Media continues to build its magazines business by using its existing newspapers and subscriber bases as carriers or distribution networks. Earnings from these products have grown significantly and are expected to continue to do so with exciting new products planned for the coming months.

The traditional magazine business performed well, with *SA Homeowner* producing earnings growth of 28%, while custom publishing and B2B magazines had a slow first six months, trading below the prior year. This is expected to improve in the second half of the year.

A significant challenge is the increasing cost of physical distribution in a market with declining volumes. Various solutions are being implemented and are essential to ensure the viability of certain products.

The Media Division will have to take some painful decisions to ensure its future sustainability: stripping out costs while simultaneously preparing for a digital future. All group titles are in the process of changing workflows, design, and content to ensure they remain relevant to the markets they serve. Towards the end of the calendar year, the business will move to new purposebuilt offices to accommodate these new structures and workflows.

While the restructuring of the media operations will be a difficult process, we believe it will emerge as a leaner, more modern business which is positioned for growth in a fundamentally changing media landscape.

Broadcasting and Content (South Africa)

Broadcasting and Content's core businesses performed well and its key assets are well positioned for the future. The division was hampered by certain non-core or non-performing assets which are in the process of being restructured or closed.

TV (channels and production) performed strongly in the first half, growing earnings 44%. Radio reduced its losses by 12% but remains in an investment phase typical of early stage radio performance.

The TV business (channels and production) reported earnings growth, with Ochre procuring commissions from MNet and Etv. One Africa TV added a fourth channel, focusing on health, to its business. The existing channels, BDTV, Ignition, and Home Channel all showed revenue, profit and audience growth.

Content (Music and Film distribution) earnings were lower as expected as it felt the effect of a weaker theatrical films market and a relatively weak slate of new releases in the first half. Stronger film releases in the second half are expected to result in a better performance in the period. The division has made significant progress in repositioning itself in a new market landscape of declining physical product sales, music streaming and VOD, and is expected to stabilise and grow following the reinvestment phase currently underway.

TMG's content strategy is focused on an all rights strategy to drive channel distribution both locally and internationally where opportunities present themselves. The decision to exit the OTT platform VIDI allows TMG to drive the acquisition, licensing, representation and creation of content for Local and Africa distribution by developing a multi-channel distribution model through current platforms such as cinemas, DVD, television and those existing digital platforms, DSTV BOX OFFICE , MTN VU, SHOWMAX etc as well as developing digital platforms across Africa. As the largest independent distributor of filmed content the business can drive growth and improve returns by constantly evaluating content opportunities by being well-positioned within a growing Africa market.

TMG co-invested in the South African-produced Shepherds and Butchers, a feature film which premiered at The Berlin Film Festival 2016 and received third prize Audience Award – a first for South Africa and a major achievement against over 50 other international films. The film is due for release later in the year, locally and internationally. It is part of a broader strategy to invest in select productions internationally and locally.

EBITDA for the Broadcasting and Content Division was marginally lower at R16.4 million for the period under review (prior period R17.1 million). Excluding the non-core and radio assets, EBITDA was R27.8 million for the period under review, versus R28.9 million in the prior period, despite the soft first half for films.

H&C

H&C results tracked slightly ahead of budget for the period under review. Our retail software footprint continues to grow with the addition of several new customers. Bates Printing has shown excellent growth in its niche area. H&C has elected to exit commoditised print segments and focuses increasingly on software and partnerships with key customers in the retail sector. In October 2015, H&C launched their retail data and analytics business called Silo. H&C have recently signed a significant contract with one of its key customers, broadening their existing relationship. This will start contributing materially to earnings in the new financial year.

During the current reporting period, H&C grew EBITDA by 3.9% to R88.3 million (prior period R85.0 million).

Uniprint

Uniprint performed well during the period, largely on the back of the election project in Tanzania. The Labels & Packaging division had reduced turnover as a result of decreased volumes from customers. The weakening Rand also resulted in tighter margins, as not all negative fluctuations could be passed on to customers.

Uniprint increased turnover by 8.2% and achieved an EBITDA of R49.3 million (prior period R38.8 million).

Broad-Based Black Economic Empowerment ("B-BBEE") Rating

TMG is proud to note that it has recently received a level 3 B-BBEE rating under the new codes, which demonstrates TMG's continued commitment to the B-BBEE codes and government's plans for an inclusive South Africa.

African Media Investments (excluding South Africa)

Tiso Blackstar's African Investment segment comprises its investments in African media businesses beyond the South African border. They currently include a 49% interest in Radio Africa Limited ("RAG") in Kenya, and a 32% interest in Multimedia Group Limited ("MGG") in Ghana.

In October 2015, Tiso Blackstar and RAG acquired a 49% stake in Cooper Communications Limited, which holds the last available radio FM licence in Lagos and will be launching the station which will have a talk format, Lagos Talk, in March 2016. This acquisition in Nigeria was a small entry point which will allow us to get a better understanding of the market while we work on a larger transaction to potentially increase our presence in the country.

The African broadcast business has shown solid growth in radio, with a strong potential benefit for TV. The businesses are leaders in their respective core markets and Tiso Blackstar are in discussions with several leading international investors with broadcast experience and capital who are interested in partnering on the continent given its high growth potential and Tiso Blackstar's already strong market position. Current and forecast demographics in these regions of young populations, coupled with high economic growth and growing consumerism should result in attractive profitability for leading media businesses over the long term.

RAG has shown growth in its core radio assets, strengthened by its market leadership in the highly competitive Nairobi market. The Company has invested in a new digital terrestrial television platform, Bamba, in partnership with leading Kenyan media players and has made substantial inroads into that market. RAG has also invested in local language radio stations.

RAG's EBITDA in the first six months (excluding print), declined by 9% off the back of the investment in the new DTT platform, Bamba TV. Revenues rose 17% in the period. RAG's established radio business showed marginal growth in a relatively weak advertising market, but maintained EBITDA margins in excess of 25%.

MGG has shown resilience in the face of pressure from Ghana's economic instability driven by government overspending, weaker commodity prices, and a severe electricity crisis. Despite a poor start to the year driven by these economic factors and a struggling position in TV, MGG posted a strong turnaround in the second half of their financial year. A positive radio performance in 2015 and a restructured TV operating model resulted in positive full year EBIT growth of 58% off a low base and revenue growth of 20%.

Non-core Investments

The non-core assets mentioned below have been earmarked for disposal.

KTH

KTH is a leading black owned diversified investment holding company. Its portfolio has exposure to a broad range of sectors including media, financial services, resources, industrial and healthcare.

The increases in the value of its unlisted assets, particular Kagiso Media, were dampened by declines in value of its listed assets resulting in slight decline in its Intrinsic NAV of 5.6%. Listed asset declines were in MMI, Exxaro Resources and AECI in line with general market volatility. MMI and Exxaro Resources have since recovered.

CSI

CSI comprises the Stalcor and Global Roofing Solutions businesses, and continues to gain market share while retaining sales margins across all the geographic regions in which it operates.

Gross sales revenues were 9% higher than the previous year with the group remaining on-track to achieve annual sales in excess of R2.1 billion, and EBITDA in excess of R72 million for the period ended 30 June 2016.

CSI's trading activity through its African footprint reflects an impressive year-on-year growth of 36%. CSI expects that its newly established facility in Mozambique will become fully operational during the next calendar year, further adding to the impetus of its Africa Initiative.

The monitoring and management of working capital continues to improve and will remain a key focus. This is particularly in light of the forecast increase in sales, driven by price increases, as a result of the recent devaluation of the Rand. One of the big four South African banks has indicated its willingness to provide CSI with a more appropriate working capital facility to meet its working capital needs. Successful implementation of this facility could realise significant savings for CSI and is a key focus in the short term.

Robor

Tiso Blackstar increased its shareholding to 51.0% in October 2015 by an issue of the Company's shares at Intrinsic NAV.

The first three months of this financial year had produced positive results when compared to budget reflecting the actions taken over the last few months relating to margin improvements and cost savings. The EBITDA for the period October to December 2015, was R13 million compared to the budgeted EBITDA loss of R10 million. The Power, Solar, Telecommunications and Transmission and Distribution sectors have seen excellent activity which bodes well for the 2016 and 2017 financial years. Robor has also seen improved gross margin due to favourable purchases of imported coil and an Arcelor Mittal price rebate.

TBRE and the property subsidiaries

During the period, Tiso Blackstar sold most of its properties at prices equal to or above their carrying value.

Financial Review

Tiso Blackstar continues to be considered as an Investment Entity and therefore measures its investments, including certain subsidiaries and associates, at fair value though profit and loss as opposed to consolidating and equity accounting. The following subsidiaries, which provide services that relate to the Company's own investment activities, continue to be consolidated: Tiso Blackstar (Cyprus) Public Limited ("Tiso Blackstar Cyprus"); Tiso Blackstar Group Proprietary Limited ("Tiso Blackstar SA"); Tiso Blackstar Holdings Plc ("TBH UK") and Tiso Blackstar Limited ("TBL"). TBH UK and TBL are new companies incorporated during the current reporting period, as part of the Company's planned migration to the United Kingdom ("UK").

As a result of this accounting treatment, the Tiso Blackstar consolidated balance sheet is more closely aligned with the Intrinsic NAV of the Group than it would be under the traditional equity accounting model. The Intrinsic NAV provides shareholders with an analysis of the inherent value of each investment held as at year end. References to the Intrinsic NAV are made based on the 31 December 2015 Intrinsic NAV as included in Annexure A.

Total equity attributable to equity holders of Tiso Blackstar amounted to R4.4 billion as at 31 December 2015, a 0.2%, or R10.2 million, increase since 30 June 2015. The same figures in Pounds Sterling reflect a decline of 16.1%, or £37.0 million, to £193.4 million at 31 December 2015 which can be attributed to the fact that the Rand weakened during the current reporting period.

There has been no significant movement in total assets from 30 June 2015 to R4.8 billion as at 31 December 2015. In Pounds Sterling, a decrease in total assets of £42.7 million to £212.2 million has been recorded due to the weakening of the Rand against the Pounds Sterling.

On implementation of the TMG and KTH acquisitions during June 2015, Tiso Blackstar raised debt of R534.0 million (£28.0 million) which was used to settle the existing facility held, transaction related costs and the cash consideration of the KTH purchase price. This debt was reduced to R421.6 million (£18.5 million) by 31 December 2015 utilising proceeds from disposals of smaller investments and free cash.

Cash and cash equivalents increased by R9.5 million (£0.2 million) during the current financial period to an amount of R29.2 million (£1.3 million). Significant cash flow movements during the period include a R45.8 million (£2.2 million) cash outflow on acquisitions of investments; a R33.1 million (£1.6 million) cash inflow on realisation of investments including repayments of loan receivables; R74.7 million (£3.6 million) cash inflow in respect of dividends and interest income; R43.3 million (£2.1 million) cash outflow on repayments of the debt facility and R9.5 million (£0.5 million) cash outflow on the repurchase of Tiso Blackstar shares off the open market.

Income for the six months ended 31 December 2015 amounted to R62.8 million (£3.0 million) which mainly comprises R80.5 million (£3.8 million) generated from investments in the form of support fees, dividends and interest income and R17.7 million (£0.8 million) net losses on investments.

Net losses on investments includes R0.4 million (£0.02 million) of realised losses on the disposal of the Group's smaller investments and R17.3 million (£0.78 million) of unrealised net fair value losses on its current investments. The majority of the unrealised net fair value losses consists of a R96.0 million (£4.6 million) loss on KTH; a R10.0 million (£0.5 million) gain on CSI; a R86.5 million (£4.1 million) gain on Robor; and a R24.1 million (£1.2 million) loss on TBRE and the property subsidiaries.

Operating expenses of R37.5 million (£1.8 million) mainly include the day-to-day operational expenses of R20.1 million (£1.0 million) incurred to run Tiso Blackstar and its consolidated subsidiaries, and exceptional, transaction related and non-recurring costs of R10.9 million (£0.5 million) the majority of which are costs arising on the migration, deal related costs and the set up of the London office.

Net finance costs increased by R19.1 million (£0.9 million) during the current financial period to an amount of R24.5 million (£1.2 million), mainly as a result of the interest cost arising on the debt raised for the implementation of the TMG and KTH acquisitions during June 2015.

Share buy-backs, share issues and treasury shares

During the current reporting period, Tiso Blackstar repurchased a total of 995,472 Tiso Blackstar shares off the open market at an average price per share of R9.51 (£0.46) and a total cost of R9.5 million (£0.5 million). These shares are held in treasury.

During October 2015, Tiso Blackstar increased its interest in Robor from 19.4% to 51.0%. The purchase consideration was settled through the issue of 1,740,358 (1,625,973 ordinary shares and 114,385 treasury shares) Tiso Blackstar shares at a price of R17.00 per share, thereby increasing the issued share capital of the Company to 268,291,260 shares.

At 31 December 2015, Tiso Blackstar held 881,087 treasury shares, representing 0.3% of the issued share capital.

From the start of the financial year, to the date of this Announcement, the Company has repurchased a total of 1,049,087 Tiso Blackstar shares. As long as the Tiso Blackstar share price continues to trade at a significant discount to its Intrinsic NAV, the Company will consider further share buy-backs.

Interim Dividend

Tiso Blackstar views dividends as an important part of shareholder return and value. In determining payment and quantity of a dividend, the Company considers its current financial flexibility, its expected net cash flows from assets, as well as expected strategic corporate actions. It also considers the current share trading price, and the opportunity to buy back Tiso Blackstar shares to enhance shareholder return. The Company places emphasis on making some dividend payments on an interim and final basis, with a view to growing the dividend over time. The Tiso Blackstar Board has approved an interim dividend of 3.74 South African cents per share, which will be paid during June 2016. The exchange rates have been fixed for the calculation of the Euro and Pounds Sterling equivalents based on the closing exchange rates on Friday, 18 March 2016 of EUR1=ZAR17.445 and GBP1=ZAR22.195.

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	Friday, 13 May 2016
Trading ex-dividend commences on the South African register	Monday, 16 May 2016
Trading ex-dividend commences on the UK register	Thursday, 19 May 2016
Record date for shareholders recorded on the UK and South African registers	Friday, 20 May 2016
Date of payment	Monday, 13 June 2016

Share certificates may not be dematerialised or rematerialised between Monday, 16 May 2016 and Friday, 20 May 2016, both days inclusive, and transfers between the UK register and the South African register may not take place during that period.

Dividend tax will be withheld from the amount of the gross dividend of 3.74 South African cents per share paid to South African shareholders at the rate of 15% unless a shareholder qualifies for exemption. After the dividend tax has been withheld, the net dividend will be 3.179 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 934,702 shares held in treasury) at the date on which the dividend was announced, 23 March 2016. The dividend will be distributed by Tiso Blackstar Group SE (Malta tax registration number 995944033) and is regarded as a foreign dividend.

Outlook

Further to the circular to shareholders dated 20 November 2015, the Company is migrating its registered office from Malta to the UK so as to ensure that its business operations and primary listing operate from a single jurisdiction and to facilitate ease of understanding by investors of its structure. Subject to the necessary approvals being obtained, the Company's advisors anticipate that the migration of the Company's registered office will take place in the second half of 2016 in light of delays experienced in ensuring that the migration of Tiso Blackstar Cyprus complies with the regulatory and administrative requirements of regulators in Cyprus and the UK. Further updates in this regard will be provided as interactions with the relevant regulators progress.

Following the completion of the migration of the registered office from Malta to the UK, Tiso Blackstar will continue to investigate the possibility of transferring its current trading on AIM to a listing on the Premium Segment of the Official List of the Financial Conduct Authority and to trading on the London Stock Exchange Main Market for listed securities in order to enhance the Company's visibility and share liquidity. If a transfer is achieved, the Company's shares would simultaneously be admitted to the Main Board of the JSE Limited, subject to JSE approval. The Company will continue to update shareholders. The Tiso Blackstar Board is also considering the cost implications of such a move.

The business activity in the sectors that the Company currently operates in is likely to remain challenging for the rest of 2016 which will place pressure on the Tiso Blackstar business. However, the strategic change from generalist investor to a focused media investment company presents an exciting opportunity for the Company to unlock value for shareholders and create a solid platform for growth. This strategy is well underway.

AD Bonamour	**DKT Adomakoh**
Non-executive Director	**Non-executive Chairman**

23 March 2016

Annexure A – Intrinsic NAV

Intrinsic NAV as at 31 December 2015

	Unaudited 31 December 2015 R'000	Unaudited 31 December 2015 £'000
Times Media Group Limited	2,550,327	111,796
Kagiso Tiso Holdings Proprietary Limited	1,633,484	71,605
Consolidated Steel Industries Proprietary Limited	365,100	16,004
Robor Proprietary Limited	185,844	8,147
Tiso Blackstar Real Estate Proprietary Limited and the property subsidiaries	39,080	1,713
Other listed and unlisted investments	26,858	1,177
Cash and cash equivalents of consolidated companies	29,208	1,280
Other net assets of consolidated companies	4,537	198
Access facility	(421,573)	(18,480)
Intrinsic NAV	**4,412,865**	**193,440**
Number of shares in issue (net of treasury shares, in thousands)	267,410	267,410
Intrinsic NAV/Share (in Rand/Pounds Sterling)	**16.50**	**0.72**

Notes:

1. The Intrinsic NAV provides a measure of the underlying value of the Group's assets and does not indicate when the investments will be realised, nor does it guarantee the value at which the investments will be realised.
2. All amounts have been translated using the closing exchange rates at 31 December 2015. The ZAR/GBP closing exchange rate at 31 December 2015 was 22.812.
3. Other listed and unlisted investments include investments in Shoprite Holdings Limited (Zambia), Cooper Communications Limited and Bataung Capital Advisors Proprietary Limited.
4. TMG has been held constant with the valuation at 30 June 2015. The financial year 2016 operating performance is in line with that of the financial year 2015 performance and the investment will be revalued on 30 June 2016.
5. The valuation of KTH has been performed at the interim period by KTH management in conjunction with the corporate finance division of a top 4 accounting firm in South Africa. Tiso Blackstar has applied a further discount of 18% to KTH's Intrinsic NAV which is consistent with the treatment applied at 30 June 2015.
6. The investment in CSI has been held constant with the valuation at 30 June 2015. The financial year 2016 operating performance is in line with the financial year 2015 performance and the investment will be revalued on 30 June 2016.
7. The investment in Robor has been held at the Group's share of tangible net asset value of Robor. The investment will be revalued on 30 June 2016.
8. TBRE and the property subsidiaries have been held at the contracted sale values.
9. For the purposes of determining the intrinsic values, listed investments on recognised stock exchanges are valued using quoted bid prices and any other unlisted investments not mentioned above are shown at Directors' valuation, determined using the discounted cash flow methodology ("DCF"). This methodology uses reasonable assumptions and estimations of cash flows and terminal values, and applies an appropriate risk-adjusted discount rate that quantifies the investment's inherent risk to calculate a present value. Given the subjective nature of valuations, the Group is cautious and conservative in determining the valuations and has a track record of selling its unlisted investments in the ordinary course of business above the levels at which it values them.

Condensed consolidated statement of comprehensive income

for the six months ended 31 December 2015

*Audited Six months ended 30 June 2015 R'000	Unaudited Six months ended 30 June 2014 R'000	**Unaudited Six months ended 31 December 2015 R'000**		**Unaudited Six months ended 31 December 2015 £'000**	Unaudited Six months ended 30 June 2014 £'000	*Audited Six months ended 30 June 2015 £'000
405,274	116,074	**62,775**	Income	**3,010**	6,506	22,316
(66,126)	(34,425)	**(37,477)**	Operating expenses	**(1,797)**	(1,929)	(3,638)
339,148	81,649	**25,298**	**Operating profit**	**1,213**	4,577	18,678
(5,330)	(3,415)	**(24,452)**	Net finance costs	**(1,173)**	(191)	(294)
517	713	**465**	Finance income	**22**	40	28
(5,847)	(4,128)	**(24,917)**	Finance costs	**(1,195)**	(231)	(322)
333,818	78,234	**846**	**Profit before taxation**	**40**	4,386	18,384
289	(1,370)	**(33)**	Taxation	**(2)**	(77)	15
334,107	76,864	**813**	**Profit for the period**	**38**	4,309	18,399
			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)**	(3,126)	(12,900)
—	—	**—**	**Total other comprehensive loss recognised directly in equity**	**(37,484)**	(3,126)	(12,900)
334,107	76,864	**813**	**Total comprehensive income/(loss) for the period**	**(37,446)**	1,183	5,499
			Profit for the period attributable to:			
334,277	77,341	**813**	Equity holders of the parent	**38**	4,337	18,408
(170)	(477)	**—**	Non-controlling interests	**—**	(28)	(9)
334,107	76,864	**813**		**38**	4,309	18,399
			Total comprehensive income/(loss) attributable to:			
334,277	77,341	**813**	Equity holders of the parent	**(37,446)**	1,211	5,508
(170)	(477)	**—**	Non-controlling interests	**—**	(28)	(9)
334,107	76,864	**813**		**(37,446)**	1,183	5,499
317.81	95.91	**0.30**	**Basic and diluted earnings per ordinary share attributable to equity holders (in cents/pence)**	**0.01**	5.38	17.50
105,181	80,636	**267,093**	**Weighted average number of shares (net of treasury shares, in thousands)**	**267,093**	80,636	105,181

*During 2015, Tiso Blackstar changed its financial year end from 31 December to 30 June

Condensed consolidated statement of financial position

as at 31 December 2015

*Audited 30 June 2015 R'000	Unaudited 30 June 2014 R'000	**Unaudited 31 December 2015 R'000**		**Unaudited 31 December 2015 £'000**	Unaudited 30 June 2014 £'000	*Audited 30 June 2015 £'000
			Assets			
—	875	**—**	Goodwill	**—**	48	—
3,208	710	**2,514**	Deferred tax assets	**110**	39	167
1,079	1,280	**4,559**	Equipment	**200**	70	56
4,813,605	1,410,091	**4,800,693**	Financial assets at fair value through profit and loss	**210,442**	77,580	251,944
2,983,436	366,081	**2,792,192**	Net investments in subsidiaries	**122,398**	20,141	156,153
1,734,013	900,474	**1,993,699**	Net investments in associates	**87,395**	49,542	90,758
96,156	143,536	**14,802**	Financial assets held for trading	**649**	7,897	5,033
—	31,381	**—**	Investments classified as loans and receivables	**—**	1,727	—
150	160	**228**	Current tax assets	**10**	9	9
32,317	1,339	**3,820**	Trade and other receivables	**167**	73	1,691
19,727	59,356	**29,208**	Cash and cash equivalents	**1,280**	3,266	1,032
4,870,086	1,505,192	**4,841,022**	**Total assets**	**212,209**	82,812	254,899
			Liabilities			
(141)	(183)	**—**	Deferred tax liabilities	**—**	(10)	(7)
(22)	(167)	**(663)**	Other financial liabilities	**(29)**	(9)	(1)
(440,000)	(128,606)	**(421,573)**	Borrowings	**(18,480)**	(7,076)	(23,030)
(72)	(684)	**—**	Current tax liabilities	**—**	(38)	(4)
(27,537)	(15,550)	**(5,921)**	Trade and other payables	**(260)**	(856)	(1,441)
(467,772)	(145,190)	**(428,157)**	**Total liabilities**	**(18,769)**	(7,989)	(24,483)
4,402,314	1,360,002	**4,412,865**	**Total net assets**	**193,440**	74,823	230,416
			Equity			
2,535,442	574,672	**2,554,036**	Share capital	**164,201**	55,347	163,310
701,781	21,506	**701,212**	Share premium	**39,363**	1,932	39,391
52,173	52,173	**52,173**	Capital redemption reserve	**4,599**	4,599	4,599
—	(25,738)	**(8,176)**	Treasury shares reserve	**(392)**	(1,634)	—
—	—	**—**	Foreign currency translation reserve	**(79,146)**	(29,457)	(41,662)
1,113,252	737,476	**1,113,620**	Retained earnings	**64,815**	44,041	64,796
4,402,648	1,360,089	**4,412,865**	**Total equity attributable to equity holders**	**193,440**	74,828	230,434
(334)	(87)	**—**	Non-controlling interests	**—**	(5)	(18)
4,402,314	1,360,002	**4,412,865**	**Total equity**	**193,440**	74,823	230,416
1,651	1,702	**1,650**	**Net asset value per share (in cents/pence)**	**72**	94	86
266,665	79,894	**267,410**	**Actual number of shares in issue (net of treasury shares, in thousands)**	**267,410**	79,894	266,665

*During 2015, Tiso Blackstar changed its financial year end from 31 December to 30 June

Condensed consolidated statement of changes in equity

for the six months ended 31 December 2015

	Share capital R'000	Share premium R'000	Capital redemption reserve R'000	Treasury shares reserve R'000	Retained earnings R'000	Attributable to equity holders R'000	Non-controlling interests R'000	Total equity R'000
Balance as at 1 January 2014	574,672	21,468	52,173	(18,848)	674,101	1,303,566	365	1,303,931
Total comprehensive income for the period	—	—	—	—	77,341	77,341	(477)	76,864
Income for the period	—	—	—	—	77,341	77,341	(477)	76,864
Other comprehensive income for the period	—	—	—	—	—	—	—	—
Transactions with owners:								
Purchase of treasury shares	—	—	—	(20,514)	—	(20,514)	—	(20,514)
Treasury shares issued as part of the long term Management Incentive Scheme	—	38	—	13,624	(13,662)	—	—	—
Equity settled share based payment	—	—	—	—	11,068	11,068	—	11,068
Reduction in non-controlling interests arising on acquisition of further shares in Blackstar Fund Managers Proprietary Limited ("BFM")	—	—	—	—	(176)	(176)	25	(151)
Dividend paid	—	—	—	—	(11,196)	(11,196)	—	(11,196)
Balance as at 30 June 2014	**574,672**	**21,506**	**52,173**	**(25,738)**	**737,476**	**1,360,089**	**(87)**	**1,360,002**
Total comprehensive income for the period	—	—	—	—	69,243	69,243	(119)	69,124
Income for the period	—	—	—	—	69,243	69,243	(119)	69,124
Other comprehensive income for the period	—	—	—	—	—	—	—	—
Transactions with owners:								
Purchase of treasury shares	—	—	—	65	—	65	—	65
Treasury shares issued for property acquisition	—	240	—	6,360	—	6,600	—	6,600
Treasury shares issued as part of the long term Management Incentive Scheme	—	1,397	—	10,029	(11,426)	—	—	—
Equity settled share based payment	—	—	—	—	21,662	21,662	—	21,662
Reduction in non-controlling interests arising on acquisition of further shares in BFM	—	—	—	—	1	1	—	1
Dividend paid	—	—	—	—	(7,268)	(7,268)	—	(7,268)
Balance as at 31 December 2014	**574,672**	**23,143**	**52,173**	**(9,284)**	**809,688**	**1,450,392**	**(206)**	**1,450,186**
Total comprehensive income for the period	—	—	—	—	334,277	334,277	(170)	334,107
Income for the period	—	—	—	—	334,277	334,277	(170)	334,107
Other comprehensive income for the period	—	—	—	—	—	—	—	—
Transactions with owners:								
Shares issued for investment acquisitions	1,950,299	677,038	—	—	—	2,627,337	—	2,627,337
Issue of shares as part of long term Management Incentive Scheme	10,471	1,503	—	—	(11,974)	—	—	—
Treasury shares issued as part of the long term Management Incentive Scheme	—	97	—	9,284	(9,381)	—	—	—
Equity settled share based payment	—	—	—	—	2,432	2,432	—	2,432
Reduction in non-controlling interests arising on acquisition of further interest in BFM	—	—	—	—	(42)	(42)	42	—
Dividend paid	—	—	—	—	(11,748)	(11,748)	—	(11,748)
Balance as at 30 June 2015*	**2,535,442**	**701,781**	**52,173**	**—**	**1,113,252**	**4,402,648**	**(334)**	**4,402,314**
Total comprehensive income for the period	—	—	—	—	813	813	—	813
Income for the period	—	—	—	—	813	813	—	813
Other comprehensive income for the period	—	—	—	—	—	—	—	—
Transactions with owners:								
Purchase of treasury shares	—	—	—	(9,469)	—	(9,469)	—	(9,469)
Shares issued for investment acquisition	18,594	(569)	—	1,293	—	19,318	—	19,318
Disposal of entire interest in BFM	—	—	—	—	(445)	(445)	334	(111)
Balance as at 31 December 2015	**2,554,036**	**701,212**	**52,173**	**(8,176)**	**1,113,620**	**4,412,865**	**—**	**4,412,865**

*During 2015, Tiso Blackstar changed its financial year end from 31 December to 30 June

Condensed consolidated statement of changes in equity
for the six months ended 31 December 2015

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Treasury shares reserve £'000	Foreign currency translation reserve ("FCTR") £'000	Retained earnings £'000	Attributable to equity holders £'000	Non-controlling interests £'000	Total equity £'000
Balance as at 1 January 2014	55,347	1,930	4,599	(1,248)	(26,331)	40,485	74,782	22	74,804
Total comprehensive income for the period	—	—	—	—	(3,126)	4,337	1,211	(28)	1,183
Income for the period	—	—	—	—	—	4,337	4,337	(28)	4,309
Other comprehensive loss for the period	—	—	—	—	(3,126)	—	(3,126)	—	(3,126)
Transactions with owners:									
Purchase of treasury shares	—	—	—	(1,149)	—	—	(1,149)	—	(1,149)
Treasury shares issued as part of the long term Management Incentive Scheme	—	2	—	763	—	(765)	—	—	—
Equity settled share based payment	—	—	—	—	—	621	621	—	621
Reduction in non-controlling interests arising on acquisition of further shares in BFM	—	—	—	—	—	(10)	(10)	1	(9)
Dividend paid	—	—	—	—	—	(627)	(627)	—	(627)
Balance as at 30 June 2014	**55,347**	**1,932**	**4,599**	**(1,634)**	**(29,457)**	**44,041**	**74,828**	**(5)**	**74,823**
Total comprehensive income for the period	—	—	—	—	695	3,873	4,568	(6)	4,562
Income for the period	—	—	—	—	—	3,873	3,873	(6)	3,867
Other comprehensive income for the period	—	—	—	—	695	—	695	—	695
Transactions with owners:									
Purchase of treasury shares	—	—	—	2	—	—	2	—	2
Treasury shares issued for property acquisition	—	14	—	357	—	—	371	—	371
Treasury shares issued as part of the long term Management Incentive Scheme	—	78	—	562	—	(640)	—	—	—
Equity settled share based payment	—	—	—	—	—	1,212	1,212	—	1,212
Dividend paid	—	—	—	—	—	(407)	(407)	—	(407)
Balance as at 31 December 2014	**55,347**	**2,024**	**4,599**	**(713)**	**(28,762)**	**48,079**	**80,574**	**(11)**	**80,563**
Total comprehensive income for the period	—	—	—	—	(12,900)	18,408	5,508	(9)	5,499
Income for the period	—	—	—	—	—	18,408	18,408	(9)	18,399
Other comprehensive loss for the period	—	—	—	—	(12,900)	—	(12,900)	—	(12,900)
Transactions with owners:									
Shares issued for investment acquisitions	107,386	37,279	—	—	—	—	144,665	—	144,665
Issue of shares as part of long term Management Incentive Scheme	577	83	—	—	—	(660)	—	—	—
Treasury shares issued as part of the long term Management Incentive Scheme	—	5	—	713	—	(516)	202	—	202
Equity settled share based payment	—	—	—	—	—	134	134	—	134
Reduction in non-controlling interests arising on acquisition of further interest in BFM	—	—	—	—	—	(2)	(2)	2	—
Dividend paid	—	—	—	—	—	(647)	(647)	—	(647)
Balance as at 30 June 2015*	**163,310**	**39,391**	**4,599**	**—**	**(41,662)**	**64,796**	**230,434**	**(18)**	**230,416**
Total comprehensive loss for the period	—	—	—	—	(37,484)	38	(37,446)	—	(37,446)
Income for the period	—	—	—	—	—	38	38	—	38
Other comprehensive loss for the period	—	—	—	—	(37,484)	—	(37,484)	—	(37,484)
Transactions with owners:									
Purchase of treasury shares	—	—	—	(454)	—	—	(454)	—	(454)
Shares issued for investment acquisition	891	(28)	—	62	—	—	925	—	925
Disposal of entire interest in BFM	—	—	—	—	—	(19)	(19)	18	(1)
Balance as at 31 December 2015	**164,201**	**39,363**	**4,599**	**(392)**	**(79,146)**	**64,815**	**193,440**	**—**	**193,440**

*During 2015, Tiso Blackstar changed its financial year end from 31 December to 30 June

Condensed consolidated statement of cash flows

for the six months ended 31 December 2015

*Audited Six months ended 30 June 2015 R'000	Unaudited Six months ended 30 June 2014 R'000	**Unaudited Six months ended 31 December 2015 R'000**		**Unaudited Six months ended 31 December 2015 £'000**	Unaudited Six months ended 30 June 2014 £'000	*Audited Six months ended 30 June 2015 £'000
(393,483)	(160,257)	**65,527**	**Cash generated/(absorbed) by operating activities**	**3,143**	(8,980)	(21,664)
458	(171)	**(3,233)**	**Cash (absorbed)/generated by investing activities**	**(155)**	(9)	25
349,732	96,895	**(52,813)**	**Cash (absorbed)/generated by financing activities**	**(2,533)**	5,430	19,256
(43,293)	(63,533)	**9,481**	**Net increase/(decrease) in cash and cash equivalents**	**455**	(3,559)	(2,383)
63,020	122,889	**19,727**	Cash and cash equivalents at the beginning of the period	**1,032**	7,050	3,501
—	—	**—**	Exchange losses on cash and cash equivalents	**(207)**	(225)	(86)
19,727	59,356	**29,208**	**Cash and cash equivalents at the end of the period**	**1,280**	3,266	1,032

*During 2015, Tiso Blackstar changed its financial year end from 31 December to 30 June

Notes to the condensed unaudited interim financial statements

for the six months ended 31 December 2015

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 2016. 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 six months ended 30 June 2015.

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 six months ended 30 June 2015, which are prepared under IFRS and upon which an unqualified auditors' report was given. The statutory accounts as at 30 June 2015 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. Basic and diluted earnings and headline earnings per share

*Audited Six months ended 30 June 2015 R'000	Unaudited Six months ended 30 June 2014 R'000	**Unaudited Six months ended 31 December 2015 R'000**		**Unaudited Six months ended 31 December 2015 £'000**	Unaudited Six months ended 30 June 2014 £'000	*Audited Six months ended 30 June 2015 £'000
334,277	77,341	**813**	Profit for the period attributable to equity holders of the parent	**38**	4,337	18,408
–	–	**697**	Impairment of loans designated at fair value through profit and loss	**33**	–	–
875	–	**–**	Impairment of goodwill	**–**	–	46
62	–	**4**	Loss on disposal of equipment	**–**	–	3
(262)	–	**(196)**	Total tax effects of adjustments	**(9)**	–	(14)
334,952	77,341	**1,318**	Headline earnings	**62**	4,337	18,443
105,181	80,636	**267,093**	Weighted average number of shares in issue (net of treasury shares, in thousands)	**267,093**	80,636	105,181
317.81	95.91	**0.30**	**Basic and diluted earnings per ordinary share attributable to equity holders (in cents/pence)**	**0.01**	5.38	17.50
318.45	95.91	**0.49**	**Basic and diluted headline earnings per ordinary share attributable to equity holders (in cents/pence)^**	**0.02**	5.38	17.53

^ Disclosure of headline earnings has been provided in accordance with the JSE Listings Requirements
*During 2015, Tiso Blackstar changed its financial year end from 31 December to 30 June

23 March 2016

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