Tiso Blackstar Group SE
Reviewed Condensed Consolidated Interim Financial Statements for the six months ended 31 December 2018

Incorporated in England and Wales

Company number SE 000110

Registered as an external company with limited liability in the Republic of South Africa under registration number 2011/008274/10

Share code: TBG

ISIN: GB00BF37LF46

(“Tiso Blackstar” or the “Company” or together with its subsidiaries the “Group”)

Salient features

- Solid trading results from core operations in tough economic conditions
- Revenue increased by 2.9% to R2,046.6 million
- Operating profit from continuing operations up by 21.6% to R144.1 million
- Amendment of prior year results to no longer reflect KTH as a discontinued operation and a non-current asset held for sale but as an investment in associate
- Earnings significantly impacted by KTH impairment and to a lesser extent the losses incurred by discontinued operations

Overview

Tough economic conditions continue to prevail and are expected to continue in the short-term until there is an improvement in the economy and investor sentiment.

The Group is focused on degearing and continues to service its debt in line with agreed upon payment terms. The Hirt & Carter Group delivered good results and achieved significant milestones in the period. The Hirt & Carter Group's move to a new single facility and growth in recently acquired businesses contributed to its performance. The full benefits of the new facility will be realised over the next twelve months as the business focuses on cross-selling and an integrated shared services environment. The Media business had a tough second quarter as traditional revenues came under pressure from reduced industry-wide marketing spend. It faces pressure from rising input costs such as newsprint, but prudent cost management and growth in new revenues such as Digital and Eventing will diversify revenue.

Shareholders should note that the prior period results have been amended as a result of Kagiso Tiso Holdings ("KTH") no longer meeting the definition of a non-current asset held for sale and a discontinued operation in terms of IFRS 5 and IAS 28.

Core businesses

Hirt & Carter Group

- Hirt & Carter Group had a good period, reporting a 11.5% increase in revenue to R1,122.0 million and a 5.5% increase in Trading Performance/Core EBITDA[1] to R173.5 million, driven largely by strong growth in Bothma Branding Solutions ("BBS") and the benefits of a single production facility now being recognised.
- Packaging and Forms grew revenue by 3%, limited by lower volumes in certain market segments.
- The first phase of relocation to the new facility in Cornubia (H&C division and Shared Services) was completed by October 2018, including the recent moves of Paton Tupper and Triumph to the new facility. The move was completed on time, within budget and with continuous customer delivery.
- The Uniprint Labels move will be completed in June 2019 following Competition Commission approval for the acquisition of First Impression Labels ("FIL") obtained in March 2019. FIL's earnings began to flow in March.
- The integration of Shared Services will begin in earnest during the six months to June 2019 as the divisions within the Hirt & Carter Group focus on driving lean manufacturing and extracting the value from the new site.
- Capex was higher than usual due to certain equipment that couldn't be moved to the new facility having to be replaced and relocation costs were incurred as a result of the move.
- The Hirt & Carter Group is focused on growing its customer base, and utilising cross-selling opportunities to deliver volumes and drive topline growth.

[1] Tiso Blackstar's Trading Performance (Core EBITDA) is calculated from profit before interest and tax after adding back depreciation, amortisation, straight lining of leases, share-based payment expenses and other gains/(losses). It therefore excludes items outside of the ordinary day-to-day activities.

Media

- The Media business remains stable in a difficult and low growth operating environment but rising input costs have forced a continued review of costs across the division.
- Media revenue (excluding STS and Booksite, which have been sold and earmarked for sale respectively) declined by 5.9% to R702.1 million.
- As a result of tight management of costs, Trading Performance/Core EBITDA[1] declined only 2.0%, significantly less than the decline in revenue.
- An encouraging growth in Native, Digital, Events and bespoke magazines helped to broaden the revenue mix and build sustainability.
- Digital subscriptions are now a core business with additional new product releases planned following the successful launch of Business Live and Times Select.
- Media produced a strong performance relative to its peers.
- Traditional reader and advertising revenue continue to be challenged by the economy.
- Growth initiatives in Digital and Eventing showed significant progress, as did in-paper magazines such as Wanted and SMag.
- Revenue declines have slowed in the core titles, driven by improved market share and growth in key areas.
- The second half of the financial year is expected to be challenged by various factors, specifically political uncertainty in the run up to the elections and rising newsprint costs.
- Despite the above, Media delivered a solid performance over the interim period and remains focused on maintaining market-leading positions to take advantage of any economic improvement.
- The first half of the financial year performance was achieved on the back of better than expected advertising revenue in niche businesses and magazine titles and consistently tight cost management.
- The full implementation of new editorial systems and workflows will ensure market-leading digital first capacity and strong production savings.
- Investments in the period include launching a digital Afrikaans product (Vrye Weekblad) to secure new digital subscription revenues, marketing initiatives to deliver further market-share growth, a new business intelligence system to streamline decision making and a procurement system to deliver cost reductions.

Broadcast and Content

- Trading Performance/Core EBITDA[1] for the combined Broadcast and Content business grew 13.4% to R19.2 million compared to the prior period. The division, whose revenues were impacted by tough economic and market conditions declined by 4.3%, made significant strategic progress in various areas.
- Established broadcast assets Blackstar TV and Ochre both grew earnings in the period by a combined 21.2%, and radio stations Vuma and Rise improved slightly. Both have a strong pipeline and are expected to pick up again in the second half.
- The films business Empire Entertainment had a strong holiday season in December 2018 with studio titles Bohemian Rhapsody and Aquaman performing well ahead of expectations as well as a solid showing for some independently acquired films.
- Gallo Music has been impacted by the liquidation of its distributor, resulting in write-offs of its debtors book and a period of no physical trading while a new distributor stepped in. Trading has improved since and digital income continues to grow.
- The music publishing side of the business is trading profitably and Gallo continues to seek out new frontline and catalogue opportunities.

[1] Tiso Blackstar's Trading Performance (Core EBITDA) is calculated from profit before interest and tax after adding back depreciation, amortisation, straight lining of leases, share-based payment expenses and other gains/(losses). It therefore excludes items outside of the ordinary day-to-day activities.

Non-core businesses

The Group's entire interest in its wholly-owned non-core steel business Consolidated Steel Industries ("CSI") was successfully disposed of effective 30 November 2018 for R50.0 million, of which R20.0 million was received on disposal with the remaining portion of the purchase price of R30.0 million cash to be received prior to 30 June 2019.

Tiso Blackstar management have been actively trying to sell the remaining non-core investments but market conditions have made it difficult to achieve acceptable solutions.

Progress on the disposal plan for the Group's 47.6% interest in Robor continues and management remains focussed on exiting this non-core interest as efficiently and quickly as possible whilst also realising value for shareholders. Robor's merger with Macsteel did not close as Tiso Blackstar had hoped and was originally envisaged. However, Macsteel and Trident, two of South Africa's largest steel tube and pipe manufacturers, both announced the closure of their manufacturing plants, which should increase volumes through Robor's plant and improve profitability.

Tiso Blackstar could not come to reasonable sales terms with KTH's other shareholders for its 20.01% interest in KTH, both in terms of value and an appropriate amount of cash. Whilst disappointing, we are actively working with our fellow shareholders to streamline and improve KTH's portfolio performance, reduce its debt and resume declaring dividends to shareholders. We believe this could materially improve the value of the Group's interest in KTH. The Group's interest in KTH declined in value as a result of the amendments to equity account the investment as an associate as well as the adjustments to the KTH portfolio valuation.

Financial review

The Group produced solid trading results from core operations in tough economic conditions. The translation of this into performance in the profit/(loss) for the period, could not be achieved as a result of the impact of the impairment of the investment in associate KTH and the losses generated by discontinued operations CSI and Robor.

The composition of the Group's profit/(loss) for the period is relevant for a proper understanding of its financial results due to its history and the nature of its underlying investments. Loss for the period includes results from non-core operations including the associate KTH (now included in continuing operations) as well as the steel operations Robor and CSI (to date of sale) which have been treated as discontinued operations. Operating profit represents the trading results of the core segments Media, Hirt & Carter Group and Broadcast and Content before the following:

- equity accounted associate earnings and impairments of associates (mainly comprising KTH and associates within the Africa (excluding South Africa) segment; and
- other gains/(losses) which include the impact of any corporate actions, relocation costs and any other non-trading related or non-recurring gains/(losses) including profits/(losses) on disposals of assets.

The financial statements include significant reclassifications and amendments which have been retrospectively applied in accordance with the standards. As a result of the aforementioned events relating to the Group's interest in KTH, and in accordance with IFRS 5 and IAS 28, the KTH investment is no longer considered to be a discontinued operation and a non-current asset held for sale (held at fair value less costs to sell) but is rather accounted for as an investment in associate being equity accounted and assessed for impairment. Any KTH related income and expenses are now also included in continuing operations. This required retrospective application and as a result, comparatives have been amended and the opening statement of financial position as at 31 December 2016 on date of reclassification is disclosed.

Total Group revenue from continuing operations increased by 2.9% to R2,046.6 million. Operating costs continued to be well controlled, declining by 5.5% to R442.5 million. A pleasing 21.6% increase in operating profit to R144.1 million was achieved as a result of the Group's ongoing focus on adding revenue streams and controlling costs. Other gains/(losses) mainly includes a R16.4 million loss on disposal of subsidiary Smartcall Technology Solutions ("STS"), R14.8 million "agterskot" provision relating to the July 2017 acquisition of a 51.0% interest in BBS, and a total of R16.3 million which includes Cornubia facility relocation costs and other once-off costs incurred by the Hirt & Carter Group. It is important to note that the net profit for the period of R96.6 million includes amortisation of intangible assets of R29.6 million.

Finance costs after excluding the guarantee fees of R4.9 million relating to the part disposal of KTH have decreased by 5.3% to R71.0 million due to a decrease in Group debt levels. The taxation expense remains significantly above the South African tax rate mainly due to the non-deductible UK-based head office costs, together with the non-deductible finance costs on acquisition debt raised for the purchase of the KTH shares. This tax difference should improve as Head Office debt is repaid and UK costs are lowered further.

The results of the associate KTH have a material impact on the Company's share of profit of associates, with KTH having contributed a profit of R20.3 million in the current period and a loss of R31.5 million in the comparative six months. Impairments arising on associates in all reporting periods, including R81.1 million in the current reporting period, arose on KTH with the fair value being assessed with reference to the KTH portfolio valuation.

The loss arising on discontinued operations of R23.3 million includes a R19.1 million loss from associate Robor and the balance arising on the subsidiary CSI to date of disposal.

A basic loss of 32.41 cents per share arose in the current reporting period which includes results of both continuing and discontinued operations, significantly impacted by the KTH impairment and to a lesser extent the losses incurred by the discontinued operations. Headline earnings of R56.5 million were achieved compared to R101.5 million in the comparative period and are materially impacted by KTH's related headline earnings adjustments.

Equity attributable to shareholders declined marginally from 30 June 2018 to 31 December 2018 by 2.2% to R2,837.5 million (a net asset value of 1,079.58 cents per share) with the positive contributions of the core operations being outweighed by the overall decline in the KTH value and discontinued operations' losses. A decrease of R1,048.7 million in non-current assets held for sale and simultaneously its associated non-current liabilities arose as a result of the disposal of CSI. As at 31 December 2018 non-current assets held for sale comprised of the investment in the associate Robor carried at R118.5 million. Total interest-bearing borrowings of R928.7 million decreased by R72.2 million as a result of scheduled capital repayments.

Cash generated from operations of R13.8 million was achieved after net finance costs paid of R88.5 million. Net cash generated by investing activities of R270.5 million mainly comprises of the following: a R59.6 million cash outflow on acquisition of plant and equipment (which includes the Hirt & Carter Group's capex spend of R53.0 million required on relocation to its new facility); and a cash inflow of R345.6 million on disposal of subsidiaries CSI and STS (mainly representing the CSI bank overdraft of R336.3 million on date of sale). After excluding the R12.5 million dividend paid in November 2017, the cash flow utilised by financing activities remained relatively flat when compared to the comparative reporting period.

During the current reporting period, 3,445,859 new shares and 2,664,950 treasury shares were issued under the long-term Management Incentive Scheme, a Forfeitable Share Plan ("FSP"). For accounting purposes, shares issued under the FSP are not considered as issued.

Dividend

Tiso Blackstar has taken the prudent approach of not declaring an interim dividend in light of its current gearing levels which will be addressed as soon as some or most of the non-core investments are realised in the future.

Events after reporting date

In March 2019, the Hirt & Carter Group acquired the entire issued share capital of FIL. FIL prints flexo and digital labels, shrink sleeves, wrap around labels and coupons for blue-chip customers. This acquisition will add scale to the existing Hirt & Carter Group businesses, to further diversify the technology offering and capabilities for clients, and enhance the earnings base for the Group. In addition, the merged business will operate out of the new integrated facility in Cornubia, Durban, and will leverage off the efficiencies and cost savings this facility has created. FIL has a strong leadership team and will assume management of the combined business, which will operate under the First Impressions Labels brand.

In March 2019, at the request of Robor's bankers, Tiso Blackstar provided an equity loan of R50.0 million to Robor thereby reducing the guarantees provided to the banks for facilities provided to Robor by the same amount.

Looking forward

Core operations have produced solid results in light of the tough economic conditions and management continues to take the necessary steps to ensure operations are stable and remain as profitable as possible. The short to medium term power cuts will have an impact on the business going forward (as it will other businesses operating within South Africa).

A key area of focus for the remainder of the year is to reduce the high gearing levels of the Group and to strengthen the balance sheet. This will be achieved through the following strategies: ongoing management of the core businesses and costs management to ensure optimal generation of cash flows; finalisation of the disposal of Robor; active management of the investment in KTH with the aim of extracting dividends and ultimately value from this investment; and seeking other opportunities to generate further cash flows which would assist in reducing debt levels.

The Tiso Blackstar Board would like to extend its gratitude to stakeholders, including shareholders, advisers, clients, business partners, management and employees, for their efforts and contributions during the past six months.

On behalf of the Board

AD Bonamour
Chief Executive Officer

Condensed consolidated interim statements of profit and loss and other comprehensive income

for the six months ended 31 December 2018

	Notes	**Reviewed Six months ended 31 December 2018 R'000**	Restated, reclassified and amended * Unaudited Six months ended 31 December 2017 R'000	Amended * Audited Year ended 30 June 2018 R'000
Continuing operations				
Revenue		**2,046,638**	1,988,423	3,814,781
Cost of sales		**(1,402,327)**	(1,344,868)	(2,606,329)
Gross profit		**644,311**	643,555	1,208,452
Operating expenses		**(442,493)**	(468,026)	(900,847)
Depreciation and amortisation		**(75,945)**	(75,136)	(150,943)
Straight lining of leases		**(6,978)**	(10,061)	(8,650)
Operating income		**25,159**	28,091	98,453
Operating profit		**144,054**	118,423	246,465
Other (losses)/gains		**(47,483)**	18,529	(56,350)
Net profit		**96,571**	136,952	190,115
Net finance costs		**(71,421)**	(72,575)	(145,565)
Finance income		**4,456**	2,385	7,026
Finance costs		**(75,877)**	(74,960)	(152,591)
Share of profit/(loss) of associates - equity accounted	6	**26,979**	(22,417)	182,610
Impairment loss of associates - equity accounted	6	**(81,052)**	(58,460)	(269,954)
Loss before taxation		**(28,923)**	(16,500)	(42,794)
Taxation		**(29,196)**	(25,315)	(77,664)
Loss from continuing operations		**(58,119)**	(41,815)	(120,458)
(Loss)/Profit from discontinued operations, net of taxation	3	**(23,278)**	14,601	(258,173)
Loss for the period		**(81,397)**	(27,214)	(378,631)
Other comprehensive income/(loss), net of taxation		**14,850**	(30,335)	4,354
Items that may subsequently be reclassified to profit and loss:				
Currency translation differences on the translation of foreign operations		**(5,249)**	(3,353)	(1,805)
Other comprehensive income/(loss) of equity accounted associates		**10,528**	(26,174)	1,589
Items subsequently reclassified to profit and loss:				
Reclassification of foreign currency translation reserve on disposal of subsidiary		**11,644**	-	-
Items that will not subsequently be reclassified to profit and loss:				
Actuarial gains on Post-retirement medical aid (“PRMA”)		**-**	340	2,252
Other comprehensive /(loss)/income of equity accounted associates		**(2,073)**	(1,148)	2,318
Total comprehensive loss for the period		**(66,547)**	(57,549)	(374,277)
Loss for the period attributable to:				
Equity holders of the parent		**(85,260)**	(39,549)	(378,931)
Non-controlling interests		**3,863**	12,335	300
		(81,397)	(27,214)	(378,631)
Other comprehensive income/(loss), net of taxation attributable to:				
Equity holders of the parent		**14,850**	(30,335)	3,777
Non-controlling interests		**-**	-	577
		14,850	(30,335)	4,354
Total comprehensive loss for the period attributable to:				
Equity holders of the parent		**(70,410)**	(69,884)	(375,154)
Non-controlling interests		**3,863**	12,335	877
		(66,547)	(57,549)	(374,277)
Basic loss per ordinary share (in cents) attributable to equity holders	4	**(32.41)**	(14.91)	(142.96)
Diluted loss per ordinary share (in cents) attributable to equity holders	4	**(31.37)**	(14.67)	(140.55)
Basic loss per ordinary share (in cents) attributable to equity holders from continuing operations	4	**(26.56)**	(18.36)	(49.80)
Diluted loss per ordinary share (in cents) attributable to equity holders from continuing operations	4	**(25.70)**	(18.07)	(48.96)
Weighted average number of shares in issue (net of treasury shares, in thousands)	4	**263,049**	265,259	265,062
Weighted average number of shares in issue (in thousands)	4	**271,747**	269,578	269,601

* Refer notes 2 and 3

Condensed consolidated interim statement of financial position

as at 31 December 2018
Company registration number: SE 000110

	Notes	**Reviewed 31 December 2018 R'000**	Amended * Unaudited 31 December 2017 R'000	Amended * Unaudited 31 December 2016 R'000	Amended * Audited 30 June 2018 R'000
ASSETS					
Non-current assets		**4,096,801**	5,227,865	5,367,326	4,153,533
Property, plant and equipment		**387,925**	950,503	904,632	376,147
Investment property		**-**	-	17,617	-
Straight lining of lease assets		**-**	-	210	15
Goodwill	5	**1,046,236**	1,200,376	1,139,846	1,080,696
Intangible assets		**1,157,301**	1,277,384	1,296,419	1,175,147
Investment in associates - equity accounted	6	**1,403,744**	1,675,254	1,893,148	1,449,636
Other investments, loans and receivables		**48,788**	30,097	34,320	18,173
Deferred taxation		**52,807**	94,251	81,134	53,719
Current assets		**1,170,873**	2,696,754	2,750,488	1,505,846
Inventories		**274,196**	1,016,673	1,057,827	241,730
Straight lining of lease assets		**20,915**	6	-	2,462
Other financial assets		**-**	687	-	-
Trade and other receivables		**838,097**	1,556,178	1,393,037	847,360
Current taxation		**23,461**	41,933	26,411	19,798
Cash and cash equivalents	7	**14,204**	81,277	273,213	394,496
Non-current assets held for sale	3	**118,488**	14,253	-	1,186,292
TOTAL ASSETS		**5,386,162**	7,938,872	8,117,814	6,845,671
EQUITY AND LIABILITIES					
Capital and reserves attributable to the Group's equity holders		**2,837,489**	3,215,639	3,446,839	2,901,794
Share capital and premium		**3,255,248**	3,255,248	3,255,248	3,255,248
Other reserves		**35,651**	28,365	29,890	32,036
Foreign currency translation reserve		**(49,176)**	(96,617)	(43,939)	(66,099)
(Accumulated losses)/Retained earnings		**(404,234)**	28,643	205,640	(319,391)
Non-controlling interests		**31,700**	221,018	200,936	35,962
TOTAL EQUITY		**2,869,189**	3,436,657	3,647,775	2,937,756
LIABILITIES					
Non-current liabilities		**1,248,760**	1,189,454	1,669,855	1,412,276
Borrowings		**727,500**	623,623	1,059,656	909,874
Straight lining of lease liabilities		**50,331**	25,091	34,072	24,914
Other financial liabilities		**580**	9,152	-	6,397
Finance lease and instalment sale obligations		**136,613**	117,030	136,721	123,610
Post-retirement benefits liabilities		**10,252**	37,611	71,837	25,359
Provisions		**5,502**	9,081	20,016	5,734
Deferred taxation		**317,982**	367,866	347,553	316,388
Current liabilities		**1,268,213**	3,302,066	2,800,184	1,446,942
Borrowings		**201,160**	532,344	135,331	90,967
Straight lining of lease liabilities		**-**	4,163	55,787	2
Other financial liabilities		**11,388**	5,852	-	5,673
Finance lease and instalment sale obligations		**53,180**	60,582	44,535	50,259
Post-retirement benefits liabilities		**4,506**	5,412	9,518	4,506
Provisions		**17,721**	75,273	18,285	60,520
Trade and other payables		**898,955**	1,632,495	1,618,872	922,350
Current taxation		**35,454**	61,680	22,364	27,103
Bank overdrafts and other short-term borrowing facilities	7	**45,849**	924,265	895,492	285,562
Non-current liabilities associated with non-current assets held for sale	3	**-**	10,695	-	1,048,697
TOTAL LIABILITIES		**2,516,973**	4,502,215	4,470,039	3,907,915
TOTAL EQUITY AND LIABILITIES		**5,386,162**	7,938,872	8,117,814	6,845,671

* Refer notes 2 and 3

The condensed consolidated interim financial statements were approved by the Tiso Blackstar Board and authorised for issue on 27 March 2019.

AD Bonamour
Chief Executive Officer

DKT Adomakoh
Non-executive Chairman

Condensed consolidated interim statement of changes in equity

for the six months ended 31 December 2018

	Note	**Reviewed Six months ended 31 December 2018 R'000**	Reclassified and amended * Unaudited Six months ended 31 December 2017 R'000	Amended * Audited Year ended 30 June 2018 R'000
Previously reported balance		**3,111,973**	3,568,894	3,568,894
Effects of reclassifications and amendments*		**(174,217)**	(65,852)	(65,852)
Reclassified and amended balance		**2,937,756**	3,503,042	3,503,042
Changes in reserves:				
Total comprehensive loss for the period		**(70,410)**	-	-
Reclassified and amended total comprehensive loss for the period		**-**	(69,884)	(375,154)
Previously reported balance		**-**	25,548	(266,790)
Effects of reclassifications and amendments*		-	(95,432)	(108,364)
On deregistration of a business		**51**	-	-
Acquisition of subsidiaries/businesses		**-**	109	-
FSP share-based payment expense		**5,130**	3,319	9,456
Tax charge on FSP share-based payment expense recognised directly in equity		**2,262**	1,002	2,558
Arising on change in holding in a subsidiary		**-**	-	(8,542)
Purchase of treasury shares		**(1,339)**	(2,158)	(9,772)
Equity loan from non-controlling interests		**-**	(16,485)	(16,486)
Dividends paid		**-**	(12,545)	(12,545)
Changes in non-controlling interests:				
Total comprehensive income for the period		**3,863**	12,335	877
Arising on change in holding in a subsidiary		**-**	-	8,542
On disposal of a subsidiary	8	**(3,091)**	-	-
On deregistration of a business		**(51)**	-	-
Acquisition of subsidiaries/businesses		**-**	5,913	5,913
Equity loan from non-controlling interests		**-**	16,848	16,848
Loss of control in Robor		**-**	-	(177,113)
Dividends paid to non-controlling interests		**(4,982)**	(4,839)	(9,868)
Balance at the end of the period		**2,869,189**	3,436,657	2,937,756
Previously reported balance			3,597,941	3,111,973
Effects of reclassifications and amendments*			(161,284)	(174,217)

* Refer notes 2 and 3

Condensed consolidated interim statement of cash flows

for the six months ended 31 December 2018

	Notes	Reviewed Six months ended 31 December 2018 R'000	Restated and amended * Unaudited Six months ended 31 December 2017 R'000	Amended* Audited Year ended 30 June 2018 R'000
Cash flow from operating activities				
Cash generated by operations		**126,292**	139,614	366,555
Dividend income received from investments		**-**	2,723	5,321
Cash settled share-based payment of subsidiary		**-**	(455)	-
Net finance costs paid		**(88,516)**	(109,176)	(220,267)
Net taxation paid		**(23,937)**	(21,179)	(61,795)
Net cash generated by operating activities		**13,839**	11,527	89,814
Cash flow from investing activities				
Acquisitions of tangible assets		**(59,604)**	(57,674)	(130,839)
Proceeds on disposal of tangible assets		**1,523**	3,541	10,728
Additions to intangible assets		**(13,124)**	(11,915)	(40,902)
Proceeds on disposals of intangible assets		**-**	3	25,003
Proceeds on part disposal of KTH		**-**	-	197,940
Net movement in other investments, loans and receivables		**(3,841)**	13,910	6,999
On acquisition of subsidiaries/businesses		**-**	(12,302)	(13,887)
On disposal of subsidiaries/businesses	8	**345,569**	-	1,728
Loss of control in Robor		**-**	-	431,145
Cash and cash equivalents disclosed as non-current assets held for sale		**-**	(239)	-
Net cash generated/(utilised) by investing activities		**270,523**	(64,676)	487,915
Cash flow from financing activities				
Borrowings, finance leases and instalment sale obligations raised		**43,003**	41,829	322,407
Borrowings, finance leases and instalment sale obligations repaid		**(101,583)**	(100,185)	(406,172)
Purchase of treasury shares		**(1,339)**	(2,158)	(9,772)
Dividends paid		**-**	(12,545)	(12,545)
Dividends paid to non-controlling interests		**(6,354)**	(4,839)	(9,440)
Net cash utilised by financing activities		**(66,273)**	(77,898)	(115,522)
Net increase/(decrease) in cash and cash equivalents		**218,089**	(131,047)	462,207
Cash and cash equivalents at the beginning of the period		**(249,734)**	(711,941)	(711,941)
Cash and cash equivalents at the end of the period	7	**(31,645)**	(842,988)	(249,734)

* Refer notes 2 and 3

Notes to the condensed consolidated interim financial statements

for the six months ended 31 December 2018

1. Basis of preparation

Investors should consider non-Generally Accepted Accounting Principles ("non-GAAP") financial measures shown in the condensed consolidated interim financial statements in addition to, and not as a substitute for or as superior to, measures of financial performance reported in accordance with International Financial Reporting Standards ("IFRS"). The IFRS results reflect all items that affect reported performance and therefore it is important to consider the IFRS measures alongside the non-GAAP measures.

The principal accounting policies adopted in the preparation of the condensed consolidated interim financial statements for the six months ended 31 December 2018 have been consistently applied across all periods presented in the condensed consolidated interim financial statements. All the condensed consolidated interim financial statements are presented in South African Rands and all financial information has been rounded to the nearest thousand unless stated otherwise. The condensed consolidated interim financial statements for the six months ended 31 December 2018 have been reviewed and reported on by the Company's external auditors.

The independent auditor's review has been conducted in accordance with *International Standards on Review Engagements 2410, Review of Interim Financial Information* performed by the Group's independent auditor, Deloitte & Touche, and their unmodified review report is available for inspection at the Company's registered office. Any reference to future financial performance included in the condensed consolidated interim financial statements has not been reviewed or reported on by the Group's external auditors. The auditor's report does not necessarily report on all of the information contained in the condensed consolidated interim financial statements. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the registered office.

While the financial information included in the condensed consolidated interim financial statements have been prepared in accordance with the framework concepts, recognition and measurement criteria of IFRS published by the International Accounting Standards Board ("IASB") as endorsed for use by the European Union ("EU IFRS") and IFRS as issued by the IASB ("IFRS"), the condensed consolidated interim financial statements does not itself contain sufficient information to comply with IFRS. The financial information is a set of condensed consolidated interim financial statements which was approved by the Tiso Blackstar Board on 27 March 2019. The condensed consolidated interim financial statements have been prepared on the historical cost basis, except for financial assets and financial liabilities held at fair value through profit and loss, and non-current assets held for sale, that have been measured at fair value.

The accounting policies and methods of computation are in terms of IFRS and are consistent in all material respects with those applied in the annual consolidated financial statements for the year ended 30 June 2018.

Comparatives have been revised for restatements (refer note 2) and amendments relating to discontinued operations and non-current assets held for sale (refer note 3), with the exception of the adoption of *IFRS 9 Financial Instruments* and *IFRS 15 Revenue from Contracts with Customers* as noted in note 1.5.

1.1 JSE listing

The condensed consolidated interim financial statements for the six months ended 31 December 2018, are prepared in accordance with International Financial Reporting Standard, *IAS 34 Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the requirements of JSE Listings Requirements.

1.2 UK statutory requirements

The financial information for the six months ended 31 December 2018 does not constitute statutory accounts as defined in sections 435(1) and 435(2) of the UK Companies Act 2006 ("Companies Act 2006"). Statutory accounts for the year ended 30 June 2018 have been delivered to the Companies House in the UK following the Company's Annual General Meeting ("AGM") held on Monday, 3 December 2018.

Notes to the condensed consolidated interim financial statements (continued)

for the six months ended 31 December 2018

1. Basis of preparation (continued)

1.3 Going concern

The Tiso Blackstar Board has reviewed the working capital requirements of the Group along with the Group's funding requirements, from the date of approval of the condensed consolidated interim financial statements, and has concluded that the Group has adequate resources to continue into the foreseeable future as a going concern.

In coming to this conclusion the Tiso Blackstar Board performed a detailed review of the Group's liquidity and solvency position at the reporting date taking into account all possible future cash flows and scenarios.

The Group had a cash position net of overdrafts of R31.6 million and unutilised facilities of R158.4 million at 31 December 2018, with its total current assets of R1,289.4 million (including non-current assets held for sale of R118.5 million) exceeding its total current liabilities of R1,268.2 million.

A combination of factors have led to the change in the Group's liquidity position from that previously reported in the Integrated Annual Report for the year ended 30 June 2018. The most significant factor is that Tiso Blackstar could not come to reasonable sale terms for its Kagiso Tiso Holdings Proprietary Limited ("KTH") interest with other KTH shareholders, both in terms of value and an appropriate amount of cash. As a result the Tiso Blackstar Board, after assessing the impact on the Group's liquidity position, determined that the most responsible approach would be to continue to hold on to the investment and ultimately to dispose of this when a price reflective of its true value can be realised. The debt relating to the KTH acquisition amounted to R135.5 million at 31 December 2018 and is due and payable on 31 December 2019.

In determining the cash flows to March 2020, assessments were made regarding the following: the trading profits to be generated by the existing businesses; the anticipated cash realisations from the ongoing execution of the strategy to dispose of non-core assets (taking into consideration the amended strategy for KTH); other anticipated capital related cash inflows; the cash outflows to meet the Group's obligations with regards to the debt and financing facilities currently in place at the end of the reporting period; and the cash outflows relating to the acquisition of First Impression Labels Proprietary Limited ("FIL"). Detailed sensitivity analyses and "scenario modelling" were performed at various points in time. These calculations included: assessing the impact of a change in forecasts of cash flows from trading operations; the likelihood of the capital cash inflows and the impact of a change in timing or amount of each of these inflows; the likelihood of existing guarantees being called upon; and the availability of existing banking facilities. Given the degree of sensitivity to the timing of the cash flows, the banking covenants were also considered for all scenarios to assess the impact thereof and the possibility of any breaches arising in the next twelve months.

The Tiso Blackstar Board is not aware of any material uncertainties which may cast significant doubt over the Group's ability to continue as a going concern.

1.4 Foreign currencies

The functional currency of the Company is South African Rands, being the currency of the primary economic environment in which the Company and its subsidiaries operate.

1.5 IFRS standards that became effective during the period

IFRS 9 Financial Instruments and *IFRS 15 Revenue from Contracts with Customers* became effective to the Group during the reporting period. The adoption of these standards had no material impact on the amounts previously reported hence no restatement of comparative information is required.

The Group's revised policy regarding financial instruments and revenue are summarised below:

IFRS 9 – Financial Instruments

The Group's financial assets that are held to collect contractual cash flows on specified dates are measured at amortised cost. These include trade and other longer-term loan receivables and cash resources. Interest-bearing borrowings, trade and other payables and other longer-term payables are measured at amortised cost.

The contingent consideration liabilities, included in trade and other payables on the statement of financial position, are fair valued through profit or loss.

Derivative financial instruments are fair valued through profit or loss unless hedge accounting is applied in which case they are fair valued through other comprehensive income.

The above measurements are consistent to those applied in prior periods.

Notes to the condensed consolidated interim financial statements (continued)
for the six months ended 31 December 2018

1. Basis of preparation (continued)

1.5 IFRS standards that became effective during the period (continued)

IFRS 9 – Financial Instruments (continued)
The Group recognises a loss allowance for lifetime expected credit losses on financial assets in a way that reflects an unbiased probable weighted amount, the time value of money and supportable information about past events, current and future economic conditions.

IFRS 15 – Revenue from Contracts with Customers
The Group recognises revenue from contracts with customers as it satisfies a performance obligation by delivering the promised goods or services to the customer. The amount of revenue recognised is the transaction price allocated to that performance obligation that at least compensates the Group for the performance completed and to which it is entitled. A significant portion of the Group's revenue is derived from contracts with customers in which the transfer of control coincides with the fulfilment of performance obligations.

2. Correction of prior period errors

2.1 Restatement of statement of cash flows

As reported in the Integrated Annual Report for the year ended 30 June 2018, a prior period error was identified through the JSE's proactive monitoring process. This was a classification error in the condensed consolidated statement of cash flows, whereby cash payments to and on behalf of employees were incorrectly shown under *"Cash flow from financing activities"* instead of *"Cash flow from operating activities".*

This misallocation is a prior period accounting error which has been adjusted for retrospectively in terms of *IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.* Consequently, the condensed consolidated statement of cash flows for the six months ended 31 December 2017 was restated as follows:

31 December 2017	Previously reported R'000	Restatement for classification error R'000	Restated R'000
Cash flow from operating activities			
Cash settled share-based payment of subsidiary	-	(455)	(455)
Net cash generated by operating activities	11,982	(455)	11,527
Cash flow from financing activities			
Cash settled share-based payment of subsidiary	(455)	455	-
Net cash utilised by financing activities	(78,353)	455	(77,898)

This accounting restatement only affected the line items within the condensed consolidated statement of cash flows, and had no impact on profit for the period, basic, diluted and headline earnings per share or any line items within the condensed consolidated statement of financial position.

2.2 Restatement for Smartcall Technology Solutions Proprietary Limited ("STS")

As reported in the Integrated Annual Report for the year ended 30 June 2018, on further inspection of the manner in which STS accounts for its revenue, it was noted that STS was acting as an agent and the revenue earned by STS should therefore have been recognised on an agency basis. Historically, STS had recognised revenue on a principal basis and therefore, as a prior period accounting error, this required retrospective adjustment in terms of IAS 8.

The condensed consolidated statement of profit and loss for the six months ended 31 December 2017 was restated as follows:

31 December 2017	Previously reported R'000	Restatement for STS R'000		Adjustments Reclassification for discontinued operations - CSI and Robor * R'000	Amendment for KTH - previously a discontinued operation * R'000	Restated, reclassified and amended R'000
Continuing operations						
Revenue	4,499,639	(215,315)	^	(2,296,605)	704	1,988,423
Cost of sales	(3,601,058)	215,315		2,040,875	-	(1,344,868)
Gross profit	898,581	-		(255,730)	704	643,555

* Refer note 3
^ Agency revenue

Notes to the condensed consolidated interim financial statements (continued)
for the six months ended 31 December 2018

2. Correction of prior period errors (continued)

2.2 Restatement for Smartcall Technology Solutions Proprietary Limited ("STS") (continued)

This accounting restatement in respect of STS only affected the line items revenue and cost of sales, and had no impact on profit for the period, basic, diluted and headline earnings per share or any line items within the condensed consolidated statement of financial position. The Group's entire interest in STS was sold effective 1 August 2018.

3. Discontinued operations and Non-current assets held for sale

3.1 Reclassification in terms of IFRS 5 - CSI and Robor

During 2016, 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. As the Group progresses the disposal of its non-core investments to move towards being a single sector investment holding company, the Group commenced negotiations to dispose of its interests in Consolidated Steel Industries Proprietary Limited ("CSI") and Robor Proprietary Limited ("Robor"), the terms of which will be finalised during the 2019 financial year.

The investment in Robor met the requirements of *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations* in both the current period and prior financial year, and is separately classified and presented, as a non-current asset held for sale and a discontinued operation at 31 December 2018. It is anticipated the disposal of Robor will be achieved through a sale of shares envisaged to be completed in accordance with the disposal plan in the upcoming months. The entire investment in CSI (including shares and claims) was disposed of effective 30 November 2018 for an amount of R50.0 million. The investment in CSI met the requirements of IFRS 5, and was separately classified and presented, as a non-current asset held for sale and a discontinued operation up to date of disposal. R20.0 million was received in cash and the balance will be paid, including interest, in the last quarter of the 2019 financial year. In accordance with IFRS 5, profit and loss for the comparative six months ended 31 December 2017 were reclassified, to reflect CSI and Robor as discontinued operations in the prior period.

In December 2017, the Group disposed of a 3.4% interest in Robor for R16.5 million reducing its interest from 51.0% to 47.6%, which resulted in a loss of control and step down from a subsidiary to an associate.

3.2 Amendment in terms of IFRS 5 and IAS 28 - KTH

Tiso Blackstar's 20.01% interest in KTH, was identified as a non-core asset earmarked for sale and accounted for as a non-current asset held for sale and a discontinued operation in terms of IFRS 5 with effect from June 2016, as a result of the Group entering into a sales agreement to dispose of the asset.

On publication of the Integrated Annual Report for the year ended 30 June 2018, the KTH shareholders had appointed an independent party to advise on the most optimal approach to meet the desired shareholders objectives, which included Tiso Blackstar's plan to dispose of its entire interest in KTH. It was highly anticipated that this KTH disposal plan would be completed by 30 June 2019.

Tiso Blackstar could however not come to reasonable sale terms for its KTH interest with other KTH shareholders, both in terms of value and an appropriate amount of cash. The Tiso Blackstar Board has reconsidered its position and decided that the most responsible approach would be to continue to hold the investment, and to work together with the other KTH shareholders and management, with the aim of increasing the overall value of KTH. Tiso Blackstar's long-term view continues to be to dispose of its interest in KTH, but only once this can be successfully executed at a price which is reflective of the fair value of this investment. The Tiso Blackstar Board believes that this strategy will in the long-term yield a better return for shareholders.

As a result of the aforementioned events, the interest in KTH is no longer accounted for as a non-current asset held for sale (held at its fair value less costs to sell) but rather accounted for as an investment in associate being equity accounted and tested for impairment annually with reference to the KTH portfolio valuation.

Per *IAS 28 Investments in Associates and Joint Ventures*, when an investment in associate previously classified as held for sale no longer meets the criteria to be so classified, it shall be accounted for using the equity method retrospectively as from its date of classification as held for sale. Consolidated financial statements for the periods since classification as held for sale have been amended accordingly.

The interest in KTH has therefore been accounted for as an investment in associate in accordance with IAS 28 (refer note 6) effective from 1 July 2016 and comparatives have been amended for this change in classification.

Notes to the condensed consolidated interim financial statements (continued)

for the six months ended 31 December 2018

3. Discontinued operations and Non-current assets held for sale (continued)

3.3 Restatement, reclassification and amendment of the condensed consolidated statements of profit and loss and other comprehensive income

The effect of the aforementioned reclassifications for CSI and Robor, and the amendment for KTH had the following impact on the condensed consolidated statements of profit and loss and other comprehensive income:

31 December 2017	Previously reported R'000	Restatement for STS * R'000	Adjustments Reclassification for discontinued operations - CSI and Robor R'000	Amendment for KTH - previously a discontinued operation R'000	Restated, reclassified and amended R'000
Continuing operations					
Revenue	4,499,639	(215,315)	(2,296,605)	704	1,988,423
Cost of sales	(3,601,058)	215,315	2,040,875	-	(1,344,868)
Gross profit	898,581	-	(255,730)	704	643,555
Operating expenses	(710,948)	-	242,922	-	(468,026)
Depreciation and amortisation	(103,706)	-	28,570	-	(75,136)
Straight lining of leases	35,955	-	(46,016)	-	(10,061)
Operating income	58,520	-	(30,429)	-	28,091
Operating profit	178,402	-	(60,683)	704	118,423
Other gains/(losses)	27,696	-	(9,167)	-	18,529
Net profit	206,098	-	(69,850)	704	136,952
Net finance costs	(121,504)	-	48,929	-	(72,575)
Finance income	2,696	-	(311)	-	2,385
Finance costs	(124,200)	-	49,240	-	(74,960)
Share of profit/(loss) of associates - equity accounted	10,570	-	(1,449)	(31,538)	(22,417)
Impairment loss of associates - equity accounted	-	-	-	(58,460)	(58,460)
Profit/(Loss) before taxation	95,164	-	(22,370)	(89,294)	(16,500)
Taxation	(32,887)	-	7,769	(197)	(25,315)
Profit/(Loss) from continuing operations	62,277	-	(14,601)	(89,491)	(41,815)
Profit from discontinued operations, net of taxation	507	-	14,601	(507)	14,601
Profit/(Loss) for the period	62,784	-	-	(89,998)	(27,214)
Other comprehensive loss, net of taxation	(24,901)	-	-	(5,434)	(30,335)
Items that may subsequently be reclassified to profit and loss:					
Currency translation differences on the translation of foreign operations	(3,353)	-	-	-	(3,353)
Other comprehensive loss of equity accounted associates	(21,888)	-	-	(4,286)	(26,174)
Items that will not subsequently be reclassified to profit and loss:					
Actuarial gains on PRMA	340	-	-	-	340
Change in reserves of equity accounted associates	-	-	-	(1,148)	(1,148)
Total comprehensive income/(loss) for the period	37,883	-	-	(95,432)	(57,549)
Basic earnings/(loss) per ordinary share (in cents) attributable to equity holders	19.02	-	-	(33.93)	(14.91)
Diluted earnings/(loss) per ordinary share (in cents) attributable to equity holders	18.71	-	-	(33.38)	(14.67)
Basic headline earnings per ordinary share (in cents) attributable to equity holders	20.44	-	-	17.82	38.26
Diluted headline earnings per ordinary share (in cents) attributable to equity holders	20.11	-	-	17.54	37.65

* Refer note 2

Notes to the condensed consolidated interim financial statements (continued)

for the six months ended 31 December 2018

3. Discontinued operations and Non-current assets held for sale (continued)

3.3 Restatement, reclassification and amendment of the condensed consolidated statements of profit and loss and other comprehensive income (continued)

30 June 2018	Previously reported R'000	Restatement for STS * R'000	Adjustments Reclassification for discontinued operations - CSI and Robor R'000	Amendment for KTH - previously a discontinued operation R'000	Amended R'000
Continuing operations					
Revenue	3,813,318	-	-	1,463	3,814,781
Cost of sales	(2,606,329)	-	-	-	(2,606,329)
Gross profit	1,206,989	-	-	1,463	1,208,452
Operating expenses	(900,847)	-	-	-	(900,847)
Depreciation and amortisation	(150,943)	-	-	-	(150,943)
Straight lining of leases	(8,650)	-	-	-	(8,650)
Operating income	98,453	-	-	-	98,453
Operating profit	245,002	-	-	1,463	246,465
Other (losses)/gains	(11,386)	-	-	(44,964)	(56,350)
Net profit	233,616	-	-	(43,501)	190,115
Net finance costs	(145,565)	-	-	-	(145,565)
Finance income	7,026	-	-	-	7,026
Finance costs	(152,591)	-	-	-	(152,591)
Share of profit of associates - equity accounted	13,538	-	-	169,072	182,610
Impairment loss of associates - equity accounted	(4,351)	-	-	(265,603)	(269,954)
Profit/(Loss) before taxation	97,238	-	-	(140,032)	(42,794)
Taxation	(77,254)	-	-	(410)	(77,664)
Profit/(Loss) from continuing operations	19,984	-	-	(140,442)	(120,458)
Loss from discontinued operations, net of taxation	(295,643)	-	-	37,470	(258,173)
Loss for the period	(275,659)	-	-	(102,972)	(378,631)
Other comprehensive income, net of taxation	9,746	-	-	(5,392)	4,354
Items that may subsequently be reclassified to profit and loss:					
Currency translation differences on the translation of foreign operations	(1,805)	-	-	-	(1,805)
Other comprehensive income/(loss) of equity accounted associates	9,299	-	-	(7,710)	1,589
Items that will not subsequently be reclassified to profit and loss:					
Actuarial gains on PRMA	2,252	-	-	-	2,252
Change in reserves of equity accounted associates	-	-	-	2,318	2,318
Total comprehensive loss for the period	(265,913)	-	-	(108,364)	(374,277)
Basic loss per ordinary share (in cents) attributable to equity holders	(104.11)	-	-	(38.85)	(142.96)
Diluted loss per ordinary share (in cents) attributable to equity holders	(102.36)	-	-	(38.19)	(140.55)
Basic headline loss per ordinary share (in cents) attributable to equity holders	(47.09)	-	-	17.66	(29.43)
Diluted headline loss per ordinary share (in cents) attributable to equity holders	(46.29)	-	-	17.35	(28.94)

* Refer note 2

Notes to the condensed consolidated interim financial statements (continued)
for the six months ended 31 December 2018

3. Discontinued operations and Non-current assets held for sale (continued)

3.4 Amendment to the condensed consolidated statement of financial position

The effect of the investment in the associate KTH, previously classified as a non-current asset held for sale ("NCAHFS") no longer meeting the requirements to be classified, had the following impact on the condensed consolidated statement of financial position:

31 December 2017	Previously reported Unaudited R'000	Amendment for KTH - previously a NCAHFS R'000	Amended R'000
ASSETS			
Non-current assets			
Investment in associates - equity accounted	336,538	1,338,716	1,675,254
Non-current assets held for sale	1,514,253	(1,500,000)	14,253
	1,850,791	(161,284)	1,689,507
EQUITY			
Capital and reserves attributable to the Group's equity holders			
Other reserves	25,654	2,711	28,365
Foreign currency translation reserve	(93,696)	(2,921)	(96,617)
Retained earnings	189,717	(161,074)	28,643
	121,675	(161,284)	(39,609)

31 December 2016	Previously reported Unaudited R'000	Amendment for KTH - previously a NCAHFS R'000	Amended R'000
ASSETS			
Non-current assets			
Investment in associates - equity accounted	392,172	1,500,976	1,893,148
Non-current assets held for sale	1,520,000	(1,520,000)	-
	1,912,172	(19,024)	1,893,148
EQUITY			
Capital and reserves attributable to the Group's equity holders			
Other reserves	31,679	(1,789)	29,890
Foreign currency translation reserve	(45,522)	1,583	(43,939)
Retained earnings	224,458	(18,818)	205,640
	210,615	(19,024)	191,591

30 June 2018	Previously reported Audited R'000	Amendment for KTH - previously a NCAHFS R'000	Amended R'000
ASSETS			
Non-current assets			
Investment in associates - equity accounted	360,316	1,089,320	1,449,636
Non-current assets held for sale	2,449,829	(1,263,537)	1,186,292
	2,810,145	(174,217)	2,635,928
EQUITY			
Capital and reserves attributable to the Group's equity holders			
Other reserves	28,383	3,653	32,036
Foreign currency translation reserve	(62,276)	(3,823)	(66,099)
Accumulated losses	(145,344)	(174,047)	(319,391)
	(179,237)	(174,217)	(353,454)

Notes to the condensed consolidated interim financial statements (continued)

for the six months ended 31 December 2018

3. Discontinued operations and Non-current assets held for sale (continued)

3.5 Results from discontinued operations

The results from the discontinued operations which are included in the condensed consolidated statement of profit and loss are as follows:

	Reviewed Six months ended 31 December 2018 R'000	Reclassified and amended* Unaudited Six months ended 31 December 2017 R'000	Amended * Audited Year ended 30 June 2018 R'000
(Loss)/Profit before remeasurement of fair value less costs to sell	**(930)**	14,601	(79,402)
Loss on remeasurement of fair value less costs to sell CSI	**(10,704)**	-	(178,771)
Release of foreign currency translation reserve on disposal of CSI	**(11,644)**	-	-
(Loss)/Profit for the period from discontinued operations	**(23,278)**	14,601	(258,173)
(Loss)/Profit for the period from discontinued operations attributable to:			
Equity holders of the parent	**(15,401)**	9,160	(246,937)
Non-controlling interests	**(7,877)**	5,441	(11,236)
	(23,278)	14,601	(258,173)

* Refer note 3.3

3.6 Non-current assets and liabilities held for sale

The investment in Robor, and the CSI and Fantastic disposal groups, are classified and presented as a non-current assets held for sale valued at the lower of carrying value and fair value less costs to sell.

	Reviewed 31 December 2018 R'000	Amended * Unaudited 31 December 2017 R'000	Amended * Unaudited 31 December 2016 R'000	Amended * Audited 30 June 2018 R'000
Non-current assets held for sale				
Investment in Robor	**118,488**	-	-	137,595
Assets of subsidiary CSI	**-**	-	-	1,048,697
Assets of subsidiary Fantastic	**-**	14,253	-	-
	118,488	14,253	-	1,186,292
Non-current liabilities associated with non-current assets held for sale				
Liabilities of subsidiary CSI	**-**	-	-	1,048,697
Liabilities of subsidiary Fantastic	**-**	10,695	-	-
	-	10,695	-	1,048,697

* Refer note 3.4

Notes to the condensed consolidated interim financial statements (continued)
for the six months ended 31 December 2018

4. Loss per ordinary share, Net asset value per ordinary share, Tangible net asset value per ordinary share and Dividends per ordinary share

	Reviewed 31 December 2018	Reclassified and amended * Unaudited 31 December 2017	Amended * Audited 30 June 2018
Basic loss per ordinary share (in cents)			
From continuing operations	**(26.56)**	(18.36)	(49.80)
From discontinued operations	**(5.85)**	3.45	(93.16)
Total basic loss per ordinary share (in cents)	**(32.41)**	(14.91)	(142.96)
Diluted loss per ordinary share (in cents)			
From continuing operations	**(25.70)**	(18.07)	(48.96)
From discontinued operations	**(5.67)**	3.40	(91.59)
Total diluted loss per ordinary share (in cents)	**(31.37)**	(14.67)	(140.55)
Net asset value per ordinary share (in cents)			
Net asset value	**2,837,489**	3,215,639	2,901,794
Number of shares in issue (net of treasury shares, in thousands)	**262,833**	264,979	263,283
Net asset value per ordinary share (in cents)	**1,079.58**	1,213.54	1,102.16
Tangible net asset value per ordinary share (in cents)			
Tangible net asset value	**633,952**	737,879	645,951
Number of shares in issue (net of treasury shares, in thousands)	**262,833**	264,979	263,283
Tangible net asset value per ordinary share (in cents)	**241.20**	278.47	245.34
Dividends per ordinary share (in cents)			
Dividends paid	**-**	12,545	12,545
Number of shares in issue (in thousands)	**275,753**	272,307	272,307
Dividends per ordinary share (in cents)	**-**	4.61	4.61

* Refer note 3

4.1 Basic loss and weighted average number of shares

	Reviewed Six months ended 31 December 2018 R'000	Reclassified and amended * Unaudited Six months ended 31 December 2017 R'000	Amended * Audited Year ended 30 June 2018 R'000
Loss for the period attributable to equity holders of the parent from continuing operations	**(69,859)**	(48,709)	(131,994)
(Loss)/Profit for the period attributable to equity holders of the parent from discontinued operations	**(15,401)**	9,160	(246,937)
Loss for the period attributable to equity holders of the parent	**(85,260)**	(39,549)	(378,931)
Weighted average number of shares in issue (net of treasury shares, in thousands) ^^	**263,049**	265,259	265,062

* Refer note 3

^^ Shares issued during the current and prior financial periods (either as a fresh issue or out of treasury shares held) under the long-term Management Incentive Scheme are contingently returnable shares and are excluded from the loss per share calculation until such date as they are not subject to recall

Notes to the condensed consolidated interim financial statements (continued)
for the six months ended 31 December 2018

4. Loss per ordinary share, Net asset value per ordinary share, Tangible net asset value per ordinary share and Dividends per ordinary share (continued)

4.2 Diluted loss and weighted average number of shares

	Reviewed Six months ended 31 December 2018 R'000	Reclassified and amended * Unaudited Six months ended 31 December 2017 R'000	Amended * Audited Year ended 30 June 2018 R'000
Loss for the period attributable to equity holders of the parent from continuing operations	**(69,859)**	(48,709)	(131,994)
(Loss)/Profit for the period attributable to equity holders of the parent from discontinued operations	**(15,401)**	9,160	(246,937)
Loss for the period attributable to equity holders of the parent	**(85,260)**	(39,549)	(378,931)
Weighted average number of shares in issue (in thousands)	**271,747**	269,578	269,601
Reconciliation of weighted average number of shares in issue			
Weighted average number of shares in issue (net of treasury shares, in thousands)	**263,049**	265,259	265,062
Less number of shares expected to vest (in thousands)	**8,698**	4,319	4,539
Weighted average number of shares in issue (in thousands)	**271,747**	269,578	269,601

* Refer note 3

Notes to the condensed consolidated interim financial statements (continued)

for the six months ended 31 December 2018

4. Loss per ordinary share, Net asset value per ordinary share, Tangible net asset value per ordinary share and Dividends per ordinary share (continued)

4.3 Basic and diluted headline earnings/(loss) per ordinary share

	Reviewed Six months ended 31 December 2018 R'000	Reclassified and amended * Unaudited Six months ended 31 December 2017 R'000	Amended * Audited Year ended 30 June 2018 R'000
Loss for the period attributable to equity holders of the parent	**(85,260)**	(39,549)	(378,931)
Loss on disposal of subsidiaries/businesses	**16,400**	-	2,099
(Profit)/Loss on disposal of property, plant and equipment	**(824)**	5,383	(1,488)
Profit on disposal of intangible assets	**-**	-	(25,000)
Impairment of intangible assets	**-**	-	761
Gain arising on investment property	**-**	(36)	(36)
Impairment of associates	**81,052**	58,460	269,954
Loss on remeasurement of fair value less costs to sell CSI	**10,704**	-	178,771
Release of foreign currency translation reserve on disposal of CSI	**11,644**	-	-
Gains on investments	**-**	(45)	-
Loss on disposal of associates	**-**	-	44,776
Gain on loss of control in Robor	**-**	-	(5,821)
Gain on bargain purchase	**-**	(440)	-
Total non-controlling interests and tax effects of adjustments	**231**	(1,455)	(30,039)
Non headline earnings items included in equity accounted earnings of associates, net of tax effects and non-controlling interests	**22,568**	79,164	(133,059)
- Gain on bargain purchase	**-**	-	(13)
- Loss on disposal groups classified as discounted operations	**-**	-	8,785
- Loss on disposal of equity accounted investments	**5,320**	-	-
- Loss/(Profit) on disposal of property, plant and equipment	**195**	(41)	(44)
- Adjustments in respect of equity accounted investments	**(2,641)**	422	(234,370)
- Impairment of investments, loans, assets and goodwill	**19,694**	78,783	92,583
Headline earnings/(loss) for the period	**56,515**	101,482	(78,013)
Basic headline earnings/(loss) per ordinary share (in cents) attributable to equity holders of the parent	**21.48**	38.26	(29.43)
Diluted headline earnings/(loss) per ordinary share (in cents) attributable to equity holders of the parent	**20.80**	37.65	(28.94)
Headline earnings/(loss) for the period			
From continuing operations	**49,447**	93,368	49,835
From discontinued operations	**7,068**	8,114	(127,848)
Total headline earnings/(loss) for the period	**56,515**	101,482	(78,013)
Basic headline earnings/(loss) per ordinary share (in cents)			
From continuing operations	**18.80**	35.20	18.80
From discontinued operations	**2.68**	3.06	(48.23)
Total basic headline earnings/(loss) per ordinary share (in cents)	**21.48**	38.26	(29.43)
Diluted headline earnings/(loss) per ordinary share (in cents)			
From continuing operations	**18.20**	34.64	18.48
From discontinued operations	**2.60**	3.01	(47.42)
Total diluted headline earnings/(loss) per ordinary share (in cents)	**20.80**	37.65	(28.94)

* Refer note 3

Notes to the condensed consolidated interim financial statements (continued)

for the six months ended 31 December 2018

5. Goodwill

The aggregate carrying amounts of goodwill per segment are as follows:

	Reviewed 31 December 2018 R'000	Unaudited 31 December 2017 R'000	Unaudited 31 December 2016 R'000	Audited 30 June 2018 R'000
Media	**385,961**	420,421	359,891	420,421
Hirt & Carter Group	**616,121**	626,362	626,362	616,121
Broadcast and Content	**44,154**	44,154	44,154	44,154
CSI	**-**	109,439	109,439	-
	1,046,236	1,200,376	1,139,846	1,080,696

The Group assesses annually for impairment or more frequently if there are indicators that the goodwill may be impaired. Based on the assessment performed at 31 December 2018, no impairment was recognised.

Movement during the current period mainly relates to goodwill on the disposal of STS of R34.0 million, and the balance is an impairment of goodwill on closure and deregistration of a small business within the Group.

Notes to the condensed consolidated interim financial statements (continued)

for the six months ended 31 December 2018

6. Investment in associates - equity accounted

Reconciliation of the carrying amount of the investment in associates is as follows:

	African Investments [5] R'000	KTH [2][3] R'000	Other R'000	Subtotal R'000	Robor [1] R'000	Total R'000
Amended balance as at 30 June 2016	399,697	1,583,498	-	1,983,195	-	1,983,195
Previously reported balance	399,697	1,520,000	-	1,919,697	-	1,919,697
Effects of amendment	-	63,498	-	63,498	-	63,498
Deemed Acquisitions [4]	-	-	49,779	49,779	-	49,779
Additions	-	-	18,939	18,939	-	18,939
Share of profit of associates from continuing operations	6,157	87,767	6,203	100,127	-	100,127
Dividends received	-	(11,575)	(5,500)	(17,075)	-	(17,075)
Movement in reserves	-	(207)	-	(207)	-	(207)
Proceeds on disposal	-	-	(2,426)	(2,426)	-	(2,426)
Loss on disposal	-	-	(718)	(718)	-	(718)
Impairment of investment	-	(158,507)	(11,365)	(169,872)	-	(169,872)
On step up from associate to subsidiary	-	-	(25,829)	(25,829)	-	(25,829)
Currency translation differences on the translation of foreign associates	(42,765)	-	-	(42,765)	-	(42,765)
Amended balance as at 31 December 2016	363,089	1,500,976	29,083	1,893,148	-	1,893,148
Previously reported balance	363,089	1,520,000	29,083	1,912,172	-	1,912,172
Effects of amendment	-	(19,024)	-	(19,024)	-	(19,024)
Share of (loss)/profit of associates from continuing operations	(4,360)	(51,740)	4,964	(51,136)	-	(51,136)
Movement in reserves	-	5,429	-	5,429	-	5,429
Proceeds on disposal	-	-	1,426	1,426	-	1,426
Impairment of investment	-	(20,517)	-	(20,517)	-	(20,517)
On step up from associate to subsidiary	-	-	(22,560)	(22,560)	-	(22,560)
Movement of equity loan	-	-	(1,422)	(1,422)	-	(1,422)
Currency translation differences on the translation of foreign associates	(24,059)	-	-	(24,059)	-	(24,059)
Amended balance as at 30 June 2017	334,670	1,434,148	11,491	1,780,309	-	1,780,309
Previously reported balance	334,670	1,500,000	11,491	1,846,161	-	1,846,161
Effects of amendment	-	(65,852)	-	(65,852)	-	(65,852)
Additions	-	-	2,207	2,207	-	2,207
Share of profit/(loss) of associates from continuing operations	7,389	(31,538)	1,732	(22,417)	-	(22,417)
Share of profit of associates from discontinued operations	-	-	1,449	1,449	-	1,449
Movement in reserves	-	(5,434)	-	(5,434)	-	(5,434)
Impairment of investment	-	(58,460)	-	(58,460)	-	(58,460)
Currency translation differences on the translation of foreign associates	(21,888)	-	(512)	(22,400)	-	(22,400)
Amended balance as at 31 December 2017	320,171	1,338,716	16,367	1,675,254	-	1,675,254

Notes to the condensed consolidated interim financial statements (continued)

for the six months ended 31 December 2018

6. Investment in associates - equity accounted (continued)

	African Investments [5] R'000	KTH [2][3] R'000	Other R'000	Subtotal R'000	Robor [1] R'000	Total R'000
Amended balance as at 31 December 2017	320,171	1,338,716	16,367	1,675,254	-	1,675,254
Previously reported balance	320,171	1,500,000	16,367	1,836,538	-	1,836,538
Effects of amendment	-	(161,284)	-	(161,284)	-	(161,284)
Loss of control in Robor	-	-	-	-	149,261	149,261
Additions	-	-	900	900	-	900
Share of profit of associates from continuing operations	3,513	200,609	905	205,027	-	205,027
Share of loss of associates from discontinued operations	-	-	-	-	(11,666)	(11,666)
Dividends received	-	-	(5,109)	(5,109)	-	(5,109)
Movement in reserves	-	41	-	41	-	41
Proceeds on disposal	-	(197,940)	(3,966)	(201,906)	-	(201,906)
(Loss)/Profit on disposal	-	(44,963)	187	(44,776)	-	(44,776)
Impairment of investment	-	(207,143)	(4,351)	(211,494)	-	(211,494)
Currency translation differences on the translation of foreign associates	31,188	-	511	31,699	-	31,699
Amended balance as at 30 June 2018	354,872	1,089,320	5,444	1,449,636	137,595	1,587,231
Previously reported balance	354,872	1,263,537	5,444	1,623,853	137,595	1,761,448
Effects of amendment	-	(174,217)	-	(174,217)	-	(174,217)
Share of profit of associates from continuing operations	5,511	20,259	1,209	26,979	-	26,979
Share of loss of associates from discontinued operations	-	-	-	-	(19,107)	(19,107)
Movement in reserves	-	(2,073)	-	(2,073)	-	(2,073)
Impairment of investment	-	(81,052)	-	(81,052)	-	(81,052)
Currency translation differences on the translation of foreign associates	10,528	-	(274)	10,254	-	10,254
Balance as at 31 December 2018	**370,911**	**1,026,454**	**6,379**	**1,403,744**	**118,488**	**1,522,232**

(1) On disposal of a 3.4% interest in Robor, Robor became an associate of the Group. As at 30 June 2018, Robor was classified as a non-current asset held for sale and a discontinued operation (refer note 3).
(2) As per note 3.2, the interest in KTH is no longer accounted for as a non-current asset held for sale (held at fair value less costs to sell) but is rather accounted for as an investment in associate being equity accounted and tested for impairment annually with reference to the KTH portfolio valuation. Per IAS 28, when an investment in associate previously classified as held for sale no longer meets the criteria to be so classified, it shall be accounted for using the equity method retrospectively as from its date of classification as held for sale.
(3) The investment in KTH was impaired to the lower of carrying value and fair value which was determined with reference to the KTH portfolio valuation.
(4) 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* and from that date, the Group applied *IFRS 3 Business Combinations* to any subsidiary, and IAS 28 to any associate, that was previously measured at fair value through profit or loss. The fair value of the subsidiary or associate as at 1 July 2016 ("Deemed Acquisition Date") represented the transferred "Deemed Consideration" when measuring any goodwill or gain on bargain purchase that arose from the Deemed Acquisition. All subsidiaries were consolidated in accordance with IFRS 10, and all associates were equity accounted in accordance with IAS 28, from the date of change of status.
(5) This segment comprises the Group's African interests outside South Africa: a 32.3% interest in Multimedia Group Limited ("Multimedia group") in Ghana, a 49.0% interest in Radio Africa Limited ("Radio Africa group") in Kenya, and an effective 36.5% interest in Cooper Communications Limited ("Coopers") which includes Lagos Talk, Nigeria. All of these businesses are equity accounted for as associates and did not contribute significantly to earnings or cash flows in the current reporting period.

During the prior year, the Group disposed of a 3.61% interest in KTH for R197.9 million reducing its interest in KTH from 22.9% to 20.01%. The loss on disposal of R44.9 million is included in other (losses)/gains.

Notes to the condensed consolidated interim financial statements (continued)

for the six months ended 31 December 2018

7. Net cash and cash equivalents

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

	Reviewed 31 December 2018 R'000	Unaudited 31 December 2017 R'000	Unaudited 31 December 2016 R'000	Audited 30 June 2018 R'000
Cash and cash equivalents	**14,204**	81,277	273,213	394,496
Bank overdrafts and other short-term borrowing facilities	**(45,849)**	(924,265)	(895,492)	(285,562)
Net cash and cash equivalents	**(31,645)**	(842,988)	(622,279)	108,934
Cash and bank overdrafts included in the CSI disposal group	**-**	-	-	(358,668)
Net cash and cash equivalents per the condensed consolidated statement of cash flows	**(31,645)**	(842,988)	(622,279)	(249,734)

8. Acquisitions and disposals of subsidiaries/businesses and changes in holdings

8.1 Acquisitions during the current period

There were no acquisitions of subsidiaries nor businesses during the six months ended 31 December 2018.

8.2 Acquisitions effected after the end of the reporting period

In March 2019, the Hirt & Carter Group acquired the entire issued share capital of FIL for a purchase consideration of R190.0 million, which is payable in two separate tranches as follows:

- an initial payment of R95.0 million, which was paid on 13 March 2019; and
- a second payment equal to the base amount (i.e. not greater than R95.0 million) plus interest, payable on 13 March 2020.

As the acquisition only became effective shortly prior to release of the Group's interim results, the initial accounting for the acquisition of FIL has not yet been determined. At the date of finalisation of the Group's interim results, the necessary purchase price allocation, including determination of the necessary market valuations and other calculations, had not yet commenced and thus such information could not be provided.

Had the acquisition of FIL been effected 1 July 2018, the revenue of the Group from continuing operations for the six months ended 31 December 2018 would have been R2,167.7 million, and the profit for the six months from continuing operations would have been R49.2 million. These numbers represent an approximate measure of the performance of the combined Group on a half yearly basis and provide a reference point for future periods. In determining these amounts, the impact of the fair value adjustments to the carrying values of assets and liabilities on date of acquisition were not taken into account as these have not yet been determined.

The Hirt & Carter Group, consisting of H&C division, Uniprint Labels and Forms, Triumph and many other integrated brands, delivers unique design, marketing, technology, data insights and execution services to the Retail and FMCG market. The Hirt & Carter Group aims to be the partner of choice for blue-chip marketers and advertisers looking to sell products and promote their brands in the sub-Saharan African market.

Labels and Packaging are the last vestige of consumer interaction for both Retailers and Brands, and the Hirt & Carter Group, through its existing Labels division, is looking to enhance the product and service offering to the Group’s client base. It is part of the Group’s strategy to invest in growth segments of the Brand and Marketing solutions sector.

FIL is a Durban based business which prints flexo and digital labels, shrink sleeves, wrap around labels and coupons for blue-chip customers. The acquisition of FIL, and subsequent merger with Uniprint Labels, will create a world-class labels business with a unique and innovative offering.

Notes to the condensed consolidated interim financial statements (continued)

for the six months ended 31 December 2018

8. Acquisitions and disposals of subsidiaries/businesses and changes in holdings (continued)

8.2 Acquisitions effected after the end of the reporting period (continued)

The acquisition will add scale to the existing business, further diversify the technology offering and capabilities for clients, and enhance the earnings base for the Group. In addition, the merged business will operate out of the new integrated facility in Cornubia, Durban, and will leverage off the efficiencies and cost savings this facility has created. FIL has a strong leadership team and will assume management of the combined business, which will operate under the First Impressions Labels brand. There is very little customer overlap in the merged entity.

The new leadership team has a proven track record in building strong customer relationships, has built a diverse client base, and will complement the existing Labels business. The labels market is fragmented and requires consolidation to benefit from scale and ultimately synergies from lower input costs.

8.3 Acquisition during the prior year

Effective 1 July 2017, the Hirt & Carter Group acquired a 51.0% interest in Bothma Branding Solutions Proprietary Limited ("BBS") for R15.9 million. BBS design, produce and execute branding solutions in the formal and informal retail markets.

BBS was acquired to continue with the expansion of the Group's media focused strategy. Goodwill of R36.7 million arose on acquisition of BBS and the fair value of the identifiable assets and liabilities at acquisition date was R11.6 million.

8.4 Disposals of subsidiaries during the current period

The Group disposed of the following investments during the current period:

- effective 30 November 2018, the Group's entire shareholding and claims in its wholly-owned subsidiary CSI, for a purchase consideration of R50.0 million. R20.0 million was received in cash and the balance will be paid, including interest, in the last quarter of the 2019 financial year; and
- effective 1 August 2018, the Group's 50.0% plus one share option interest in STS for R21.5 million.

Net assets of the disposed subsidiaries
The net assets of the disposed subsidiaries at the date of disposal were as follows:

31 December 2018	CSI R'000	STS R'000	Total R'000
Net assets disposed of	50,000	6,999	56,999
Attributable goodwill	-	33,992	33,992
Identifiable assets and liabilities disposed of	**50,000**	**40,991**	**90,991**
Loss on disposal	-	(16,400)	(16,400)
Non-controlling interests	-	(3,091)	(3,091)
Total consideration received	**50,000**	**21,500**	**71,500**
Consideration received			
Cash consideration received	20,000	21,500	41,500
Consideration receivable included in loans and receivables	30,000	-	30,000
Total consideration received	**50,000**	**21,500**	**71,500**
Cash flow			
Consideration received in cash and cash equivalents	20,000	21,500	41,500
Cash and cash equivalents disposed of	336,260	(32,191)	304,069
Net cash flow on disposal of subsidiary	**356,260**	**(10,691)**	**345,569**

8.5 Disposals of subsidiaries and changes in holdings during the prior year

The Group disposed of a 3.4% interest in Robor during the prior year for R16.5 million reducing its interest in Robor from 51.0% to 47.6% and thereby resulting in a loss of control and a step down from a subsidiary to an associate. Subsequent to this, the investment in Robor was classified and presented as a non-current asset held for sale at 30 June 2018 (refer note 3). During the prior year, two other less significant disposals of subsidiaries and businesses also took place, including the disposal of the subsidiary Fantastic Investments 379 Proprietary Limited ("Fantastic") which was accounted for as a non-current asset held for sale as at 31 December 2017.

Notes to the condensed consolidated interim financial statements (continued)
for the six months ended 31 December 2018

9. Segmental information

The Group has identified its operating segments based on their nature, and the reportable segments are as follows:

Core operations:
Media: distribution of knowledge and content via print, online assets and other platforms;

Hirt & Carter Group: activities on retail advertising production systems and related database management and development, and retail print via Hirt & Carter and Uniprint;

Broadcast and Content: television and radio platforms, radio assets, Empire Entertainment (the leading all-rights distributor of local and international films business), and the music business Gallo;

Africa (excluding South Africa): interests in the associates Radio Africa group in Kenya, Multimedia group in Ghana and Coopers in Nigeria (all which are equity accounted and the share of profits from these interests are therefore not shown in the tables below); and

Other: other consolidated Group companies, including head office, holding companies, the investment advisor, investments that are not deemed to be material to the Group (including the property subsidiaries) as well as consolidation adjustments and eliminations which cannot be allocated to a specific segment.

Non-core operations:
The investment in Robor, as well as the CSI disposal group (until date of sale), are classified and presented as discontinued operations and non-current assets held for sale (refer note 3). KTH is equity accounted as an associate and included in continuing operations.

CSI (100% interest, sold effective 30 November 2018): includes Stalcor 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 a steel roofing and cladding company;

Robor (47.6% interest): a manufacturer and supplier of welded steel tube and pipe, and cold formed steel profiles; and

KTH (20.01% interest): an investment holding company established in July 2011. Its investments include market leaders in key sectors such as media, resources, infrastructure, power and financial services, and comprise a mix of listed and private investments. Its major investments are Kagiso Media, MMI and Servest.

The chief operating decision maker utilises Trading Performance (Core EBITDA), as defined, in the assessment of a segment's performance. Tiso Blackstar's Trading Performance (Core EBITDA) is calculated from profit before interest and tax after adding back depreciation, amortisation, straight lining of leases, share-based payment expenses and other (losses)/gains. It therefore excludes items outside of the ordinary day-to-day activities.

Group consolidation adjustments and line items which can directly be attributed to a specific trading segment, have been re-allocated from Other to the specific segment, in order to assist the chief operating decision maker in assessing the individual segments' performance. Comparatives have been updated for this adjustment.

Notes to the condensed consolidated interim financial statements (continued)

for the six months ended 31 December 2018

9. Segmental information (continued)

9.1 Revenue from continuing operations ^

	Reviewed Six months ended 31 December 2018 R'000	Restated, reclassified and amended* Unaudited Six months ended 31 December 2017 R'000	Amended* Audited Year ended 30 June 2018 R'000
Hirt & Carter Group	**1,122,049**	1,006,513	1,911,113
Media	**741,360**	788,764	1,522,951
- Media (excluding Booksite and STS)	**702,084**	745,971	1,421,448
- Media (Booksite and STS)#	**39,276**	42,793	101,503
Broadcast and Content	**182,328**	190,535	374,923
KTH	**757**	704	1,463
Other	**144**	1,907	4,331
Total revenue from continuing operations	**2,046,638**	1,988,423	3,814,781

^ Revenue is disclosed net of inter-segmental revenue
* Refer notes 2 and 3
# STS was sold effective August 2018 and Booksite has been earmarked for sale

9.2 Trading Performance (Core EBITDA) reconciliation to loss before taxation^^

	Reviewed Six months ended 31 December 2018 R'000	Reclassified and amended * Unaudited Six months ended 31 December 2017 R'000	Amended* Audited Year ended 30 June 2018 R'000
Hirt & Carter Group	**173,504**	164,505	295,331
Media	**75,330**	76,922	126,941
- Media (excluding Booksite and STS)	**71,806**	73,261	116,821
- Media (Booksite and STS) #	**3,524**	3,661	10,120
Broadcast and Content	**19,239**	16,971	40,175
KTH	**(2,160)**	(637)	(3,531)
Other	**(33,806)**	(50,365)	(42,949)
Trading Performance (Core EBITDA)	**232,107**	207,396	415,967
Depreciation and amortisation	**(75,945)**	(75,136)	(150,943)
Share-based payment expense	**(5,130)**	(3,776)	(9,909)
Straight lining of leases	**(6,978)**	(10,061)	(8,650)
Other (losses)/gains	**(47,483)**	18,529	(56,350)
Net profit	**96,571**	136,952	190,115
Net finance costs	**(71,421)**	(72,575)	(145,565)
Share of profit/(loss) of associates - equity accounted	**26,979**	(22,417)	182,610
Impairment loss of associates - equity accounted	**(81,052)**	(58,460)	(269,954)
Loss before taxation	**(28,923)**	(16,500)	(42,794)

^^ The chief operating decision maker utilises Trading Performance (Core EBITDA as defined) in the assessment of a segment's performance
* Refer notes 2 and 3
# STS was sold effective August 2018 and Booksite has been earmarked for sale

Notes to the condensed consolidated interim financial statements (continued)

for the six months ended 31 December 2018

10. Financial instruments and financial risk management

10.1 Financial risk factors

The Group has exposure to the following risks from its use of financial instruments: credit risk; liquidity risk; and market risk (which comprise currency risk, interest rate risk and market price risk).

The condensed consolidated interim financial statements for the six months ended 31 December 2018 do not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 30 June 2018. There have been no material changes in the Group's credit, liquidity and market risk, or key inputs in measuring fair value since 30 June 2018.

10.2 Fair value estimation

The fair values of financial instruments that are accounted for at amortised cost have been determined for both the current and prior periods and approximate the carrying amounts at the respective period ends due to either the short-term nature of the instrument or because it attracts a market related rate of interest.

IFRS 13 Fair Value Measurement requires disclosures relating to fair value measurements using a three-level fair value hierarchy. The level within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. Assessing the significance of a particular input requires judgement, considering the factors specific to the asset or liability. The following table shows financial instruments recognised at fair value, categorised between those whose fair value is based on:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; or
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Recurring fair value measurement of assets and liabilities

As at 31 December 2018	**Level 1 R'000**	**Level 2 R'000**	**Level 3 R'000**	**Total R'000**
Financial assets				
Financial assets held for trading	**-**	**-**	**1,112**	**1,112**
Non-current assets held for sale	**-**	**118,488**	**-**	**118,488**
Total	**-**	**118,488**	**1,112**	**119,600**
Financial liabilities				
Contingent consideration payable	**-**	**14,772**	**-**	**14,772**

As at 31 December 2017 – Amended*	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
Financial assets				
Financial assets held for trading	5,425	-	2,917	8,342
Non-current assets and liabilities held for sale	-	3,558	-	3,558
Total	5,425	3,558	2,917	11,900

As at 30 June 2018 – Amended*	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
Financial assets				
Financial assets held for trading	-	-	1,112	1,112
Non-current assets and liabilities held for sale	-	137,595	-	137,595
Total	-	137,595	1,112	138,707

*Refer note 3.4

Transfers between levels

There were no transfers between levels during the current and prior years.

Notes to the condensed consolidated interim financial statements (continued)

for the six months ended 31 December 2018

10. Financial instruments and financial risk management (continued)

10.3 Valuation techniques

Level 2

The investment in Robor, and the CSI and Fantastic disposal groups, are classified and presented as non-current assets held for sale valued at the lower of carrying value and fair value less costs to sell (refer note 3). Their fair values were determined with reference to the anticipated value expected to be realised on disposal.

The contingent consideration payable relates to the acquisition of BBS.

Level 3

Investments included in financial assets held for trading are not material and the valuation is based on directors' valuation.

11. Contingencies, guarantees and commitments

11.1 Contingencies and guarantees

On disposal of its entire interest in CSI, Tiso Blackstar was released from its guarantees provided to a bank in respect of financing facilities provided to CSI. Post the end of the reporting period, the guarantee provided to a bank in respect of facilities provided to Robor, was reduced by R50.0 million to R110.0 million (refer to note 13). There have been no other significant changes to contingencies and guarantees from what was disclosed in the annual consolidated financial statements for the year ended 30 June 2018.

11.2 Commitments

There have been no significant changes to the Group's commitments since the previous reporting period.

12. Changes in directors and directorships

Marcel Ernzer resigned from his position as a non-executive director effective 30 November 2018.

13. Events after the reporting period

The Group's acquisition of the entire share capital of FIL was finalised effective 13 March 2019. Refer note 8.2 for further information.

In March 2019, at the request of Robor's bankers, Tiso Blackstar provided an equity loan of R50.0 million to Robor thereby reducing the guarantees provided to the banks for facilities provided to Robor by the same amount.

14. Related parties

There have been no significant changes to related parties from what was disclosed in the consolidated annual financial statements for the year ended 30 June 2018.

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For further enquiries, please contact:

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