



INVESTOR PRESENTATION
5 October 2015





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1. INTRODUCTION

Tiso Blackstar Group SE (“**Tiso Blackstar**”, or “**Company**”) provides investors with exposure to a unique combination of investments which are well positioned for long-term growth on the African continent.

Investors are backing a proven management team with a consistent track record of returns, the ability to originate investment opportunities and a wealth of operational experience across the continent.

Tiso Blackstar is a capital partner of choice for African businesses, providing strategic insight and operational experience to support their growth initiatives.

Tiso Blackstar is focused on achieving sustainable long-term growth and value creation for shareholders and its investment partners. Tiso Blackstar intends to focus its value within a limited number of large, private investments (4 to 6) in which it has control to influence strategy and growth. Entry into these investments will only be accessible by the public through Tiso Blackstar with fellow shareholders ordinarily being unlisted investors and management.

Development and growth of Tiso Blackstar’s underlying investments will be primarily driven by a combination of organic growth and bolt-on, value enhancing acquisitions as enhanced by the expertise and influence of Tiso Blackstar’s investment team within these entities.

Tiso Blackstar shareholders will enjoy complete transparency of information with access to details of the portfolios underlying investees’ earnings, assets and operations. Management will endeavour to improve investor understanding of Tiso Blackstar and maintain the relevance of information disseminated to the market.

Value delivery to its investors will ultimately be achieved through the consistent return of capital to Tiso Blackstar shareholders in the form of dividends or equity repurchases so as to solidify value realisation for investors and allow for elective reinvestment.

Holding Company Structure and Portfolio

- Permanent capital, listed environment allowing efficient fund raising
- UK holding structure with a primary listing in London and secondary listing in Johannesburg
- Sizeable platform with developed market governance (through LSE and JSE regulatory framework) for investors to get exposure to growth opportunities on the continent through the underlying portfolio in addition to new acquisitions that fit the investment philosophy
- Portfolio of market leading business with strong growth profile and cash flow conversion
- Potential to issue shares and other financial instruments to fund growth

Management and Operating Model

- Decentralised operating model
- Businesses are controlled and unlisted (no other entry points)
- Small team, nimble and entrepreneurial with ability to move quickly
- Operational expertise and experience
- Track record of deal origination and execution on the continent
- Complimentary skills and networks

Key sectors

Target investment criteria

- Tiso Blackstar will continue to focus on five key sectors:
 - Media, Services, Infrastructure, Financial Services and Consumer Facing.
- Tiso Blackstar seeks to invest in businesses that meet the following criteria:
 - leading market position;
 - strong cash flows;
 - historic growth and ability to pursue growth in other African markets;
 - strong and aligned management teams; and
 - coherent and achievable strategy.
- Acquire interest of greater than 50% to control cash flows and capital allocation.
- Target investment size that is meaningful and can impact NAV growth.

INVESTMENT
PHILOSOPHY

Pan African focused to capitalise on the Africa growth story in an aggressive yet responsible way.

Investment in **growth industries** to create a diversified and balanced portfolio of assets.

Acquiring of **strategic interest** of greater than 50% or have significant influence to ensure strategic input on the direction of the respective company, good corporate governance and control over cash flows.

Focus on a **fewer, primary unlisted, larger investments (4 – 6 significant investments), capital allocation** with a minimum equity investment of R200 million.

Active investors who add value operationally and strategically.

Entrepreneurial – ability to access and execute decisions quickly.

Decentralised operating model.

Opportunistic exits based on windfall offers for investments.

Structure

- Listed share to provide **liquidity** for shareholders.
- Become the **single entry point** for investors to underlying assets.
- All assets in the **portfolio held at fair value**.
- Efficient use of capital through **on-balance sheet and portfolio gearing** where necessary.
- **Fewer, larger investments and long-term holding periods** for investments with NAV growth driving returns.

Performance metrics

- Target growth in NAV per share (ZAR) in excess of **15% per annum (CAGR)** over any three year period.
- Operating costs **<1.5% of NAV**.
- **Minimal cash drag** <25% of NAV.
- Targeting strong **free cash flow** from underlying investments.
- Efficient structure.

Regional / Market requirements

- Established **democracy** and **corporate governance** structures.
- **Sound legal framework** / rule of law.
- **Partner with select and ethical strong entrepreneurs** on the ground to ensure alignment, transfer of knowledge and skills.
- Attractive **growth fundamentals**.

Investee company requirements

- Leading market position.
- Attractive **long-term growth** potential.
- Strong and aligned **management teams**.
- Strong **cash-flow generation**.
- Coherent and achievable strategies.
- Acceptable **risk / return profile**.
- **Ability to integrate with platform assets, enhancing the existing portfolio** and demonstrates possibility for **further expansion** through organic growth and / or acquisitions into surrounding markets.
- Make a **social and economic impact** in the jurisdiction.

East Africa

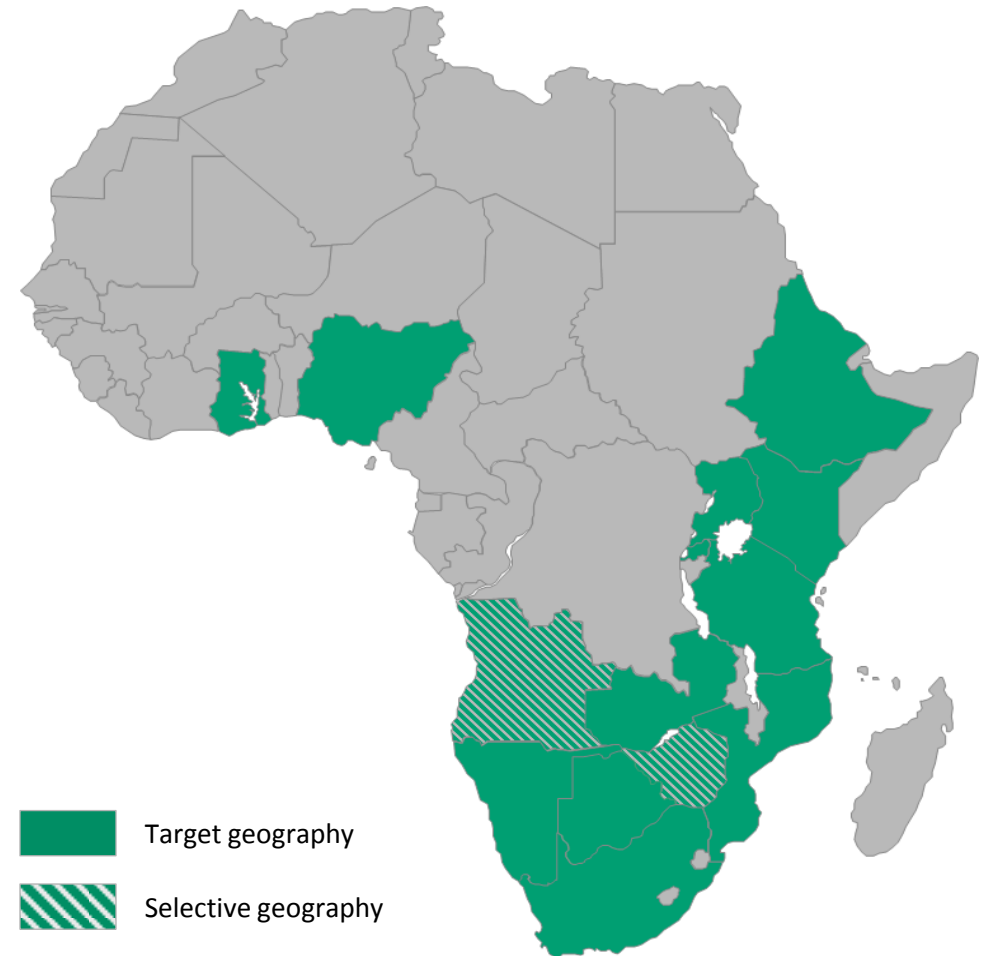
- Target Kenya as entry point and use as a platform into the rest of East Africa, including: Ethiopia, Uganda, Tanzania and Rwanda.

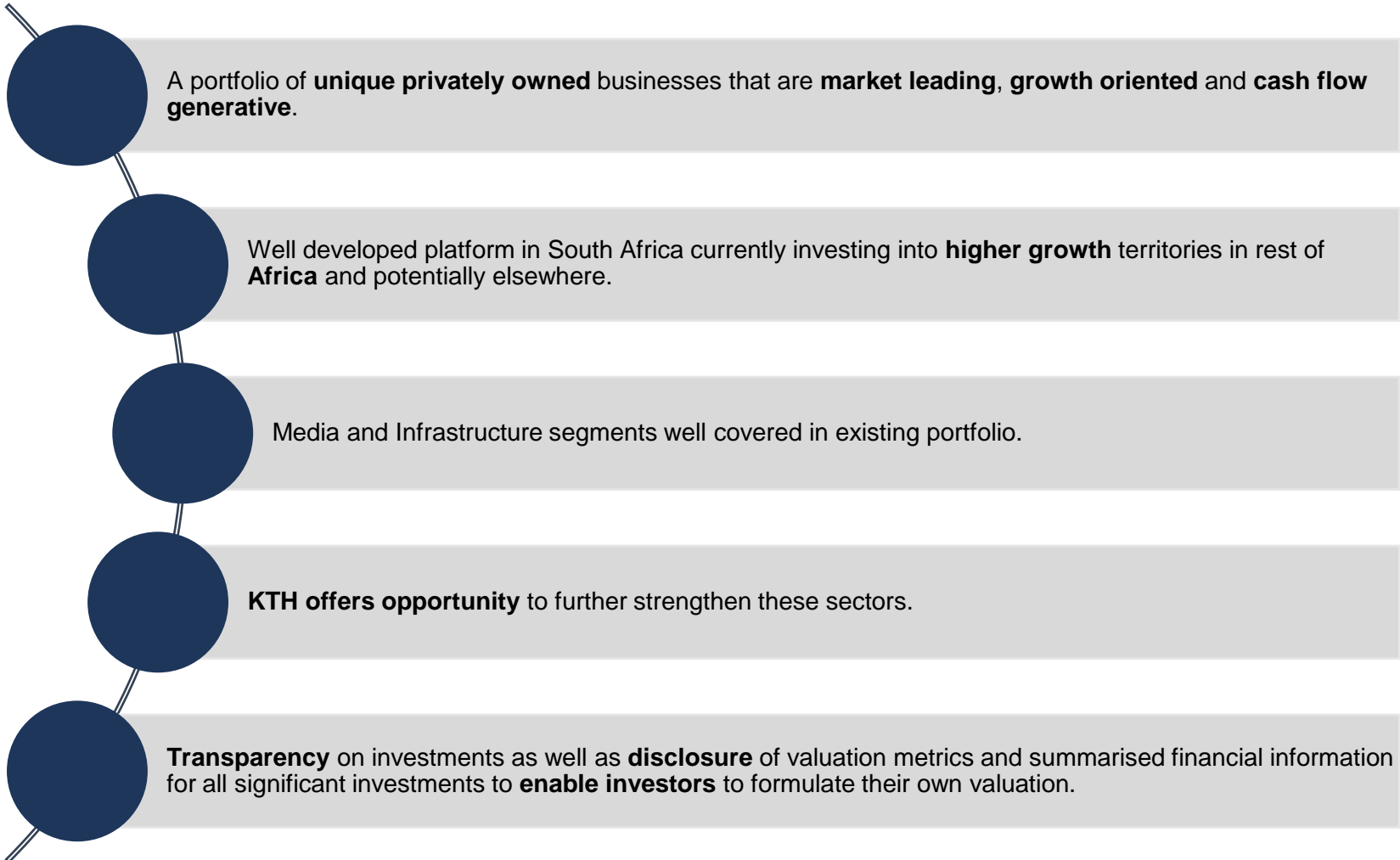
West Africa

- Target Ghana and Nigeria as principal markets and entry points into regional opportunities.

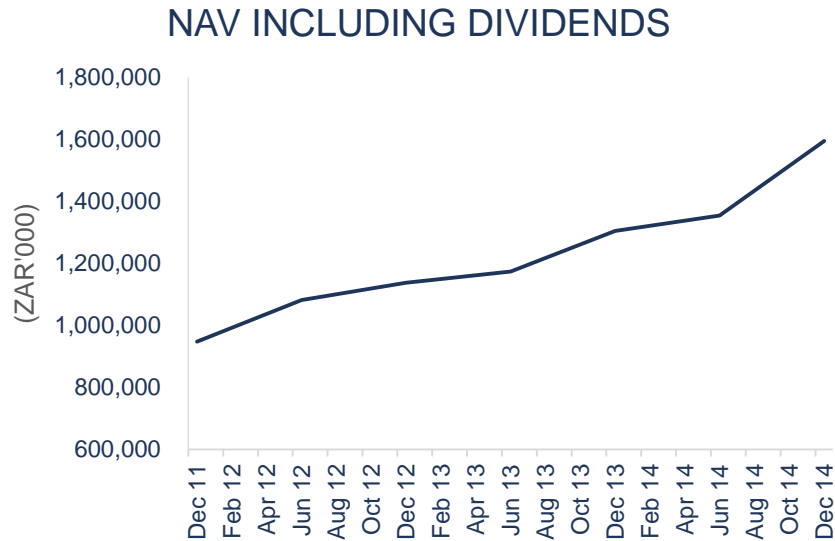
Southern African Hub

- Use strong South African based cash flow generation to fund growth into East and West Africa primarily.
- Take advantage of investment opportunities in countries neighbouring South Africa including Zambia, Namibia, Botswana and Mozambique.

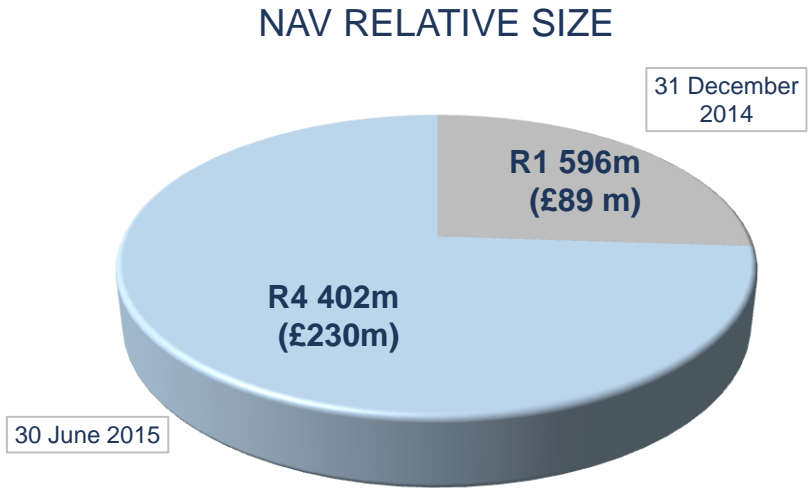




NAV growth from December 2011 to 31 December 2014



NAV pre and post acquisitions



Observations

- CAGR of 20.71% achieved in the 3 year period ending 31 December 2014.
- NAV increased from R1 596m in December 2014 to R4 533m as at 30 June 2015, as a result of the TMG and KTH acquisitions.

2. PORTFOLIO OVERVIEW

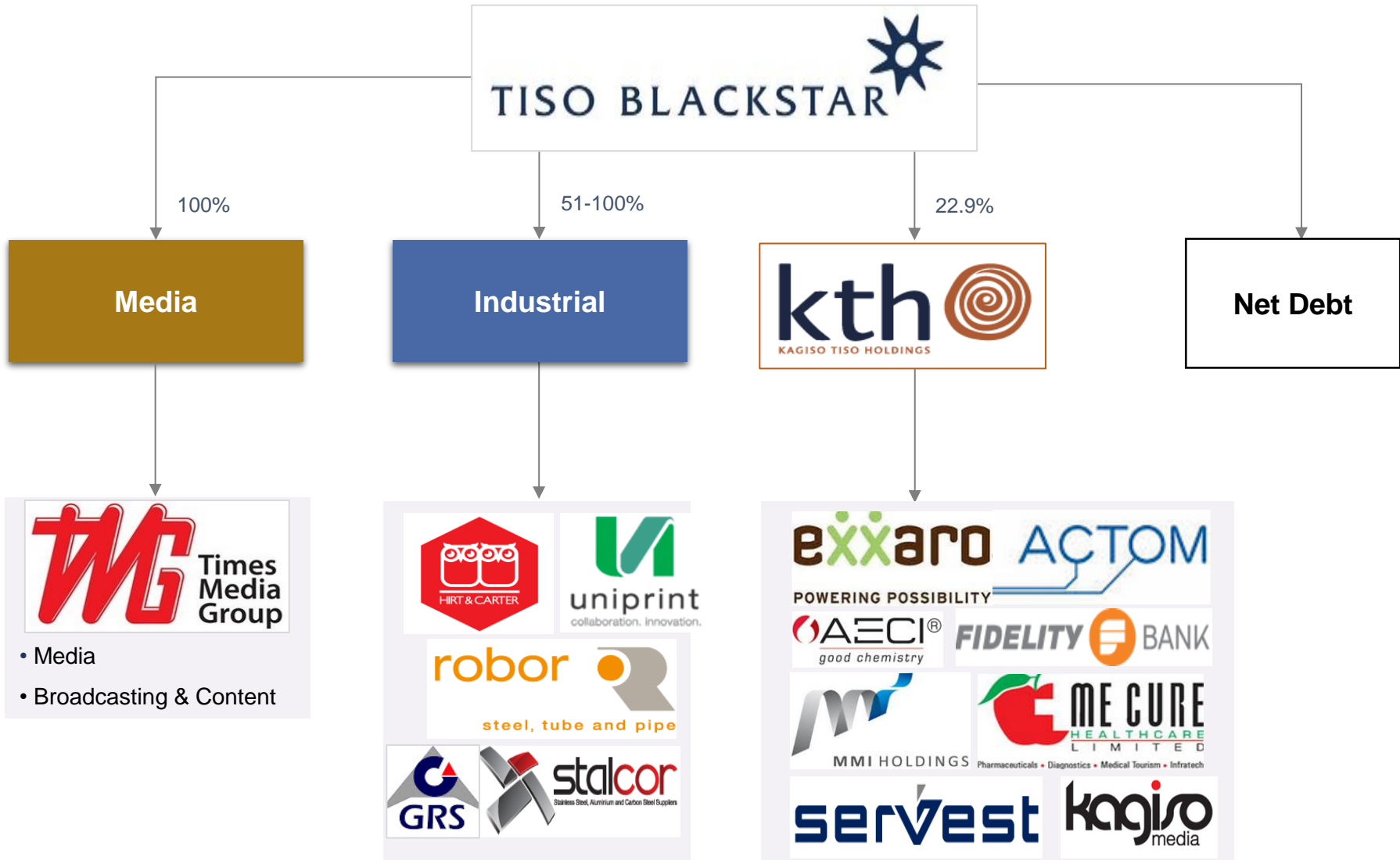
Intrinsic NAV

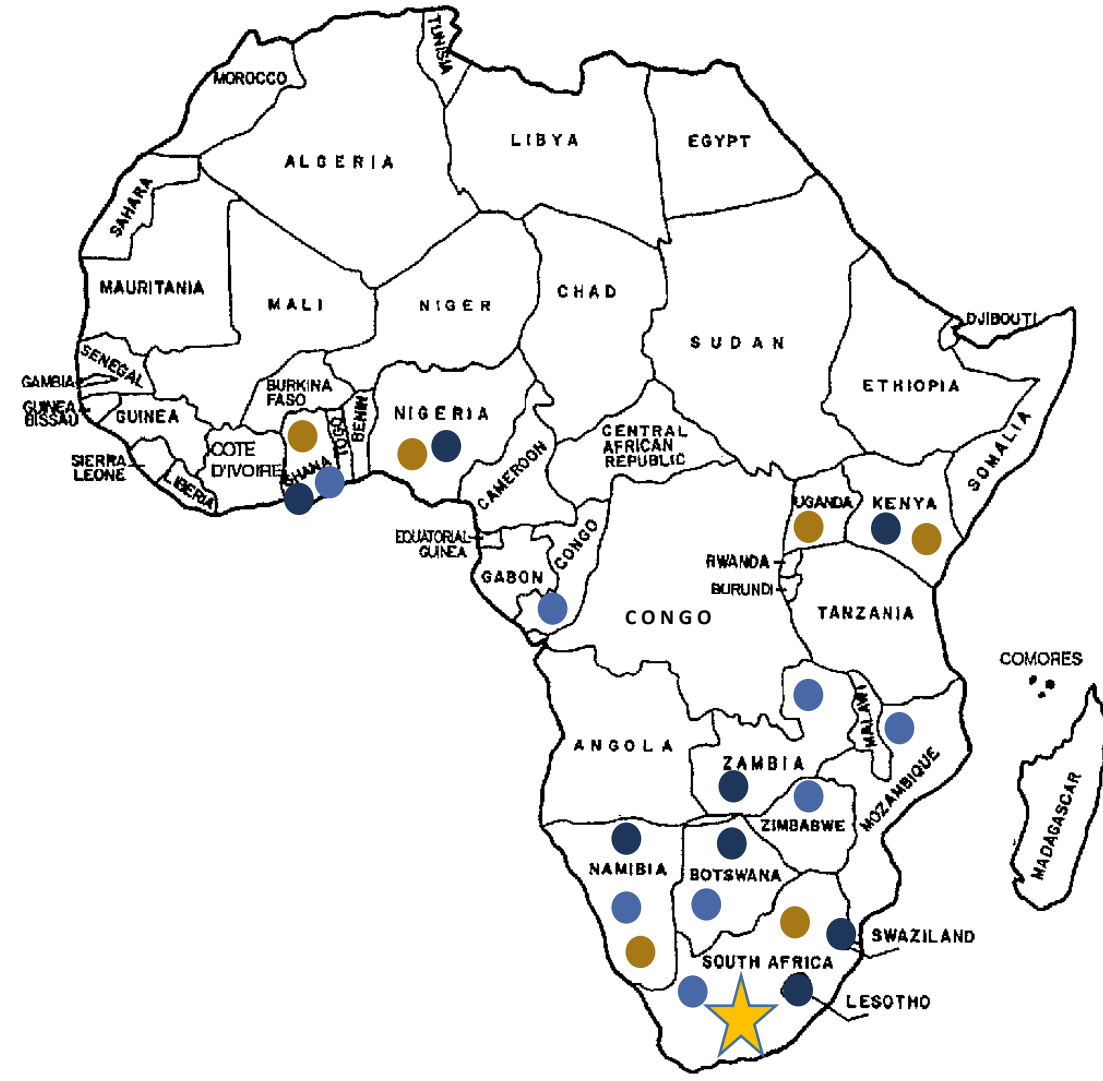
Tiso Blackstar Group SE	30 June 2015 ZAR'000	30 June 2015 GBP'000
Times Media Group Limited	2 541 707	133 033
Kagiso Tiso Holdings (Pty) Limited	1 729 513	90 522
Consolidated Steel Industries (Pty) Limited	365 100	19 109
Robor (Pty) Limited	80 000	4 187
Tiso Blackstar Real Estate and property	76 598	4 009
Other listed and unlisted investments ¹	25 866	1 354
Cash and cash equivalents of consolidated companies	22 777	1 192
Access facility	(440 000)	(23 030)
Total	4 401 561	230 376
Number of shares in issue net of treasury shares	266 665	266 665
Intrinsic NAV per share	16.51	0.87

Commentary

- 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.
- For the purposes of determining the intrinsic values, listed investments on recognised stock exchanges are valued using quoted bid prices and unlisted investments are shown at Directors' valuation, determined using the discounted cash flow methodology. 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.
- All amounts have been translated using the closing ZAR/GBP exchange rate of 19.1059 as at 30 June 2015.

1. Other listed and unlisted investments include investments in Shoprite Holdings Limited (Zambia) and Bataung Capital Advisors (Pty) Limited. This number also includes the net asset value of the Group's consolidated entities.





Legend:

- Media assets
- Industrial assets
- Financial services (indirectly through KTH in MMI and Fidelity Bank)

3. OPERATIONAL UPDATE

Operational

- Investigate mutually beneficial opportunities between Tiso Blackstar and KTH with regard to each others respective portfolios and capital structures.
- Reduce financial risk of the Tiso merger and TMG acquisition by reducing acquisition finance:
 - Review existing portfolio to realise non-core and minority investment assets (property, Navigare, fund management, etc.).
 - Assess core assets for opportunities to obtain controlling interests (Robor).
- Continue driving strategic imperatives in each investment including ¹:
 - Media
 - operational efficiencies (distribution);
 - investment in digital first production, and
 - achieve broadcast investment objectives.
 - Industrial businesses:
 - African footprint expansion; and
 - balance sheet management through improved procurement.

Administration

- Investigating moving its head office operations to the UK.
- Move listing to premium market of LSE and JSE.

1. See summarised Investments Overview for an update on operational investments.

1

Sales proceeds realised to date:

- Hedge Fund - R33m (£2m);
- Navigare - R5m (£0.3m); and
- TMG dividend in June 2015 - R60m (£3m).

2

Sales proceeds **agreed / expected** prior to December 2015:

- Agreed disposals of all of TBG's property portfolio (excluding 1 property in development in KZN);

3

Other assets **reviewed**:

- Increased Robor shareholding from 19% to 51%. Robor repurchased a portion of its issued share capital from RMB ventures, utilising internal cash resources. Following the share buy-back, Tiso Blackstar then issued shares (at NAV of R17.00) to Robor management to increase Tiso Blackstar's interest to 51%.



KTH and Times Media Group

Tiso Blackstar raised a total of R1 billion (£52m) for the acquisition of KTH interest and buyout of remaining Times Media Group (“**TMG**”) shares:

- R500m (£26m) at Tiso Blackstar level (Jibar + 500bps).
- R500m (£26m) at TMG level (Jibar + 320bps).

**Acquisition finance:
R1bn (£52m)**

Post Acquisition

Post concluding acquisitions of KTH and TMG, Tiso Blackstar had net term debt of R534m (£28m) provided by RMB & Standard Bank. This included cash paid out for the acquisitions and the transaction costs.

**Net debt:
R534m (£28m)**

30 June 2015





As at year end Tiso Blackstar had reduced this debt to R440m (£23m) in term debt – a reduction of R94m (£5m) over a short period of time.

**Net debt:
R440m (£23m)**

We expect the debt to be further reduced by 31 December 2015

4. SUMMARISED INVESTMENTS OVERVIEW

Valuation methodology applied	
Discounted cash flow valuation	Forecast cash flows discounted to a present value, using an appropriate discount rate.
Comparable company multiples	Market value for similar or comparable companies to estimate the value of the company in question.
Price to book value	The ratio of market price of a company's shares over its book value of equity. The book value of equity is equal the value of a company's assets on the balance sheet.
KTH	The fair value of the investment has been determined based on the 30 June 2015 KTH Intrinsic NAV. A discount of 18% has been applied to the intrinsic NAV, to take into account head office costs and potential CGT liability on assets that may be realised.

Asset	Valuation Methodology applied	Value R'million	Value £'million	EV/EBITDA multiple
Media	 <ul style="list-style-type: none"> discounted cash flow (“DCF”); and comparable company multiples as a supporting valuation. 	2 542	133	8.90x
Industrial	 <ul style="list-style-type: none"> DCF valuation. 	365	19	5.73x
	 <ul style="list-style-type: none"> DCF valuation; price to book valuation; and comparable company multiples as supporting valuation. 	80	4	3.65x
KTH	 <ul style="list-style-type: none"> discounted NAV. 	1 730	91	n/a



Interest - 100% | Intrinsic NAV - R2 541 million (£133 million) | 58% of Group Intrinsic NAV

Company and outlook	
Highlights	<ul style="list-style-type: none"> • Key areas of restructuring complete, reduction of excess cost base continue, investment into productive cost base. • Investment in infrastructure, design and workflows to create a digital first news environment. • Strong market share position in circulation and advertising maintained. • Films and Music Divisions both post strong results following restructuring and disposal of non-core assets. • Kenya revenue and earnings growth maintained and ahead of expectations. • Ghana business hampered by weak economy and slow TV recovery, radio remains resilient and profitable. • SA TV production and channels remain robust with growth prospects. • Radio and VOD investments remain early stage and require further investment and focus.
Outlook	<ul style="list-style-type: none"> • Digital integration. • Innovation and growth initiatives.



Interest - 100% | Intrinsic NAV - R365 million (£19 million) | 8% of Group Intrinsic NAV

Company and outlook	
Company highlights	<ul style="list-style-type: none"> • Comprises of GRS and Stalcor. • Continued growth path for period under review. • Increased gross revenues by 10.7%. • Operational presence in Namibia, Botswana, Zambia, Zimbabwe and Ghana.
Outlook	<ul style="list-style-type: none"> • GRS Mozambique to be operational Q1 2016. • Preferred supplier for housing development in Cote d'Ivoire. • Growth into new territories.



Interest - 19.4% | Intrinsic NAV - R80 million (£4 million) | 2% of Group Intrinsic NAV

Company and outlook	
<p>Company highlights</p>	<ul style="list-style-type: none"> • Largest manufacturer and suppliers of welded steel tube pipe in Africa. • Exports to over 21 countries, with exports making up over 20% of revenue. • 100% acquisition of Tricom Structures. • African focus participating in large infrastructure growth projects.
<p>Outlook</p>	<ul style="list-style-type: none"> • Tiso Blackstar increased stake from 19.4% to 51% post year end; • Growth prospects in South Africa: <ul style="list-style-type: none"> - water; and - energy.



Interest - 22.9% | Intrinsic NAV - R1 730 million (£90 million) | 39% of Group Intrinsic NAV

Company and outlook	
Company highlights	<ul style="list-style-type: none"> • One of the largest pan-African investment holding companies with key assets (making up c.80% of value): <ul style="list-style-type: none"> - 100% of Kagiso Media, a market leading African media company. Kagiso Media's assets include two leading radio stations, East Coast Radio and Jacaranda FM as well as a major TV production house, Urban Brew Studios; - 15% of Fidelity Bank Ghana ranked amongst the top tier banks in Ghana; - 51% of Servest, a market leading integrated facilities management businesses with global operations across Africa and the UK; - 19% in Actom, the largest privately owned electrical engineering business in Africa; - 7% of MMI, one of the largest listed insurance and financial services businesses across Africa; and - 30% interest in Mecure, the leading healthcare diagnostics business in Nigeria.
Outlook	<ul style="list-style-type: none"> • Investment in East and West African consumer facing sectors in the next 12 months. • Additional new deal capital allocation of approximately R400m (£21m) expected. • Further portfolio realisations of R600m (£31m) earmarked for the next 12 months.

Developments	
Robor	<ul style="list-style-type: none"> Current Robor management accounts forecast an EBITDA to year end 30 September 2015 of R30 million which is due to the write down of its steel inventory by R60 million which went through the income statement.
Media	<ul style="list-style-type: none"> Acquired an effective 36.7% interest in the last FM licence in Lagos, Nigeria partnering with an experienced operator who owns 4 other radio stations in Nigeria.
Me Cure Health	<ul style="list-style-type: none"> Me Cure Healthcare Limited (“Me Cure”) (Through KTH) - Nigeria’s leading healthcare diagnostics company. The healthcare sector in Nigeria is expected to show significant growth underpinned by a growing middle class and a reduction in medical tourism as healthcare provision in Nigeria improves and Nigerians spend more locally.
Servest	<ul style="list-style-type: none"> KTH announced the successful acquisition of a 51% shareholding in the Servest Group to form the largest, majority black-owned, facilities management company in Africa, in a transaction valuing the group at approximately R4.5 billion.
Global Media Alliance Broadcasting Company	<ul style="list-style-type: none"> Kagiso Media, acquired 37% of Global Media Alliance Broadcasting Company (GMABC), a broadcasting company in Ghana.

Tiso Blackstar property portfolio

Background

- Properties were bought opportunistically.
- Property investments are leveraged, with no cash requirements post purchase.
- The current debt obligations of R87m (£5m) related to the portfolio is ring fenced.
- Significant growth in equity value over short holding period:
 - due to well identified and executed opportunities; *and*
 - current favourable market dynamics.

Opportunity: realise portfolio

- Lock in equity gains (2x cash) over a short period (2.4 years weighted average).
- Lower group financial risk by removing property debt obligations.
- Further lower group financial risk by using equity proceeds to settle KTH acquisition debt.
- Take advantage of favourable property industry dynamic (low yield environment with strong demand)

Property sales	Year acquired	Net proceeds (R'000)	Return on equity	Estimated receipt date
Germiston	2011	13 643	6.43x	31 Oct 2015
Spartan	2014	10 541	1.60x	31 Oct 2015
Richards Bay	2011	1 96	3.23x	31 Dec 2015
Century City	2014	10 404	1.06x	31 Dec 2015
Namibia	2013	5 751	*	31 Dec 2015
Midrand	2012	23 905	1.64x	31 Dec 2015
Total (R'000)		65 340	1.95x	
Total (£'000)		3 420		

*Pure profit, no initial equity invested in the acquisition of the property.



Tiso Blackstar is a **diversified pan-African investment company** that serves as a trusted portal for investors to access Africa's growth story.

Tiso Blackstar offers investors access to a London listed investment holding company providing credibility and transparency.

An experienced management team with a reputation for rational capital allocation and a track record of value creation.

Operations on the ground across Africa with strong local public and private sector relationships.

Tiso Blackstar has a well diversified growth portfolio across various sectors with high growth potential and strong cash flows.

5. CONTACT DETAILS



- Feel free to contact us should you wish to discuss any aspects of this presentation.

<p>Tiso Blackstar Group (Pty) Ltd - CEO</p>	<p>Andrew Bonamour</p>	<ul style="list-style-type: none"> • Email: andrew@tisoblackstar.com • Tel: + 27 11 340 9561
<p>Tiso Blackstar Group (Pty) Ltd - Director</p>	<p>Thomas Bemelman</p>	<ul style="list-style-type: none"> • Email: thomas@tisoblackstar.com • Tel: + 27 11 280 5011

6. ANNEXURE A

Income statement	30 June	30 June	30 June	30 June
	2015	2015	2014	2014
	R'million	£'million	R'million	£'million
Revenue	3 946	217	3 984	219
EBITDA	344	19	404	22
EBIT	228	13	297	16

Balance sheet	30 June	30 June	30 June	30 June
	2015	2015	2014	2014
	R'million	£'million	R'million	£'million
Total assets	2 676	140	2 918	153
Property, plant & equipment	333	17	380	20
Goodwill & intangibles	778	41	821	43
Investments & other	501	26	468	25
Current assets	1 064	56	1 249	65
Total liabilities	1 924	101	1 593	84
Term debt ¹	913	48	414	22
Accounts payable	819	43	947	50
Other	192	10	232	12
Shareholders equity	752	39	1528	80

Cash flow	30 June	30 June	30 June	30 June
	2015	2015	2014	2014
	R'million	£'million	R'million	£'million
Cash flow from operations	309	16	416	22
Capital expenditure	(21)	(1)	(1)	-
Movement in working capital	76	4	57	3
Finance costs	(45)	(2)	(33)	(2)
Tax paid	(64)	(3)	(113)	(6)
Free cash flow	255	14	326	

1. Term debt comprises asset based finance of R113m and term debt of R800m. Term debt during the financial year ended 30 June 2015 was increased by R500m and the proceeds of the debt were used to settle the cash portion of the TMG buyout.



Equity value

R'million	30 June 2015
EBITDA	344
Multiple	8.90
Enterprise value	3 062
Net debt	(860)
Minority investments	340
Equity value (R'm)	2 542
Equity value (£'m)	133

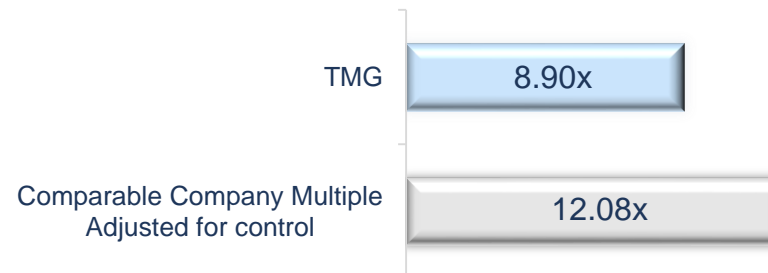
Comparable company

EV/EBITDA multiple	30 June 2015
Average comparable company multiple	9.66
Control premium	25%
Average adjusted multiple	12.08
TMG valuation multiple	8.90
Discount	26%

Commentary

- Net debt is made up of Term debt of R800 million (£42 million), asset based finance of R113 million (£6 million) and net cash of R53 million (£3 million).
- Minority investments comprise a 32% shareholding in Multimedia Ghana and a 49% shareholding in Radio Africa Kenya and are held at acquisition cost.
- Equity value equates to the blended buyout price of R24.05 per Times Media share which equates to R22.00 per share for all shares which were settled in cash and R24.50 per share for all shares that were settled in new Tiso Blackstar shares.
- AMD and ELS ceased trading during the year and have since been closed. The two businesses sustained a combined trading loss of R14 million (£1 million) which will not reoccur.

EV/EBITDA MULTIPLE



Income statement ¹	30 June	30 June	30 June	30 June
	2015	2015	2014	2014
	R'million	£'million	R'million	£'million
Revenue	1 907	105	1 821	100
EBITDA	67	4	83	5
EBIT	52	3	70	4

Balance sheet	30 June	30 June	30 June	30 June
	2015	2015	2014	2014
	R'million	£'million	R'million	£'million
Total assets	843	45	649	33
Property, plant & equipment	95	5	63	3
Goodwill & intangibles	107	6	100	5
Investments & other	-	-	-	-
Current assets	641	34	486	25
Total liabilities	549	29	374	20
Term debt	209	11	149	8
Accounts payable	339	18	224	12
Other	1	-	1	-
Shareholders equity ²	294	15	275	13

Cash flow ¹	30 June	30 June	30 June	30 June
	2015	2015	2014	2014
	R'million	£'million	R'million	£'million
Cash flow from operations	64	3	22	1
Capital expenditure	(39)	(2)	(3)	-
Movement in working capital	(46)	(2)	(49)	(3)
Finance costs	(24)	(1)	(13)	(1)
Tax paid	(9)	(1)	-	-
Free cash flow	(54)	(3)	(43)	(3)

Valuation summary

Equity value

R'million	30 June 2015
EBITDA	67
Multiple	5.73
Enterprise value	384
Net debt	(19)
Equity value (R'm)	365
Equity value (£'m)	19

- Income Statement and Cash Flow statement to 30 June 2015 represent a 12 month pro-forma period from 1 July 2014 to 30 June 2015.
- Shareholders Equity includes loans from TBG amounting to R274m (£14m) (2014: R283m (£15m)).

Income statement ¹	30 Sept	30 Sept	30 Sept	30 Sept
	2015	2015	2014	2014
	R'million	£'million	R'million	£'million
Revenue	3 037	167	3 437	189
EBITDA	130	7	185	10
EBIT	80	4	133	7

Balance sheet	30 June	30 June	30 June	30 June
	2015	2015	2014	2014
	R'million	£'million	R'million	£'million
Total assets	1 311	69	1 802	94
Property, plant & equipment	237	12	531	28
Goodwill & intangibles	0	-	1	-
Investments & other	32	2	22	1
Current assets	1 042	55	1 248	65
Total liabilities	713	37	913	48
Term debt	-	-	149	8
Accounts payable	385	20	472	25
Other	328	17	292	15
Shareholders equity	599	32	889	46

Cash flow	30 Sept	30 Sept	30 Sept	30 Sept
	2015	2015	2014	2014
	R'million	£'million	R'million	£'million
Cash flow from operations	169	9	190	10
Capital expenditure	(74)	(4)	(34)	(2)
Movement in working capital	477	25	(76)	(4)
Finance costs	(52)	(3)	(26)	(1)
Tax paid	-	-	(33)	(2)
Free cash flow	520	27	22	1

1. Excludes proceeds from the sale of properties.

Equity value

R'million	30 June 2015
EBITDA	130
Multiple	3.65
Enterprise value	474
Net debt	(62)
Equity value	412
Tiso Blackstar shareholding	19.4%
Tiso Blackstar equity value	80

Comparable company

EV/EBITDA multiple	30 June 2015
Average comparable company multiple	7.97
Robor valuation multiple	3.65
Discount	54%

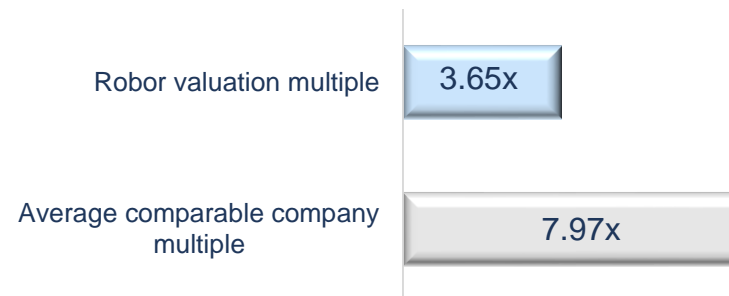
Price to book valuation

	30 June 2015 R'million	30 June 2015 £'million
Robor tangible NAV	519	27
Robor equity value	412	22
Discount to balance sheet NAV	21%	21%

Commentary

- EBITDA is for the Robor financial year ended 30 September 2014.
- Current Robor management accounts forecast an EBITDA to year end 30 September 2015 of R30 million (£2 million) which is due to the write down of its steel inventory by R60 million (£3 million) which went through the income statement.

EV/EBITDA MULTIPLE



Investment portfolio

R'million	Valuation methodology	30 June 2015
MMI Holdings Limited ¹	<ul style="list-style-type: none"> Listed shares at closing price. Preference shares applying an option pricing model. 	3 059
Kagiso Media (Pty) Limited ²	<ul style="list-style-type: none"> DCF valuation. 	2 845
Fidelity Bank Ghana Limited ³	<ul style="list-style-type: none"> Market multiple valuation (P/E) as the primary valuation and price to book as the secondary valuation. 	417
Exxaro Resources Limited ⁴	<ul style="list-style-type: none"> Listed shares at closing price, adjusted for minority and liquidity discounts. 	378
AECI Limited ⁵	<ul style="list-style-type: none"> Closing price, lock-in discount applied. 	378
Other assets ⁶	<ul style="list-style-type: none"> Various, including R217m of listed assets and R2 994m of unlisted assets. 	3 211
Net debt & other liabilities	<ul style="list-style-type: none"> Includes head office costs. 	(1 129)
NAV		9 206
Discount		18.0%
Total NAV post discount		7 553
Tiso Blackstar shareholding		22.90%
Tiso Blackstar value (R'm)		1 730
Tiso Blackstar value (£'m)		91

- The 30 June 2015 values are presented net of debt at an individual investment level.
- The valuation of the KTH investment portfolio is independently performed by the corporate finance division of a top 4 accounting firm in South Africa.

Notes

- 1) KTH's investment in MMI is held through a special purposes vehicle and comprises an aggregate exposure to 113.6 million MMI ordinary shares with closing price of R30.15 per share as at 30 June 2015 through an interest in 32.23 million MMI A3 preference shares and 81.37 million MMI ordinary shares. MMI A3 Preference Shares accrue dividends and are convertible into MMI ordinary shares on a 1 to 1 basis without restriction save for mandatory redemption on 30 June 2017, however, pursuant to a lock-in arrangement, 50 million of the MMI ordinary shares and/or MMI A3 Preference Shares may not be sold before 30 June 2017. A 5% liquidity discount has been applied to the 50 million MMI ordinary shares and/or MMI A3 Preference Shares subject to the trading restriction. The MMI A3 Preference Shares are valued using an option pricing model and the MMI ordinary shares are valued at the closing price less the liquidity discount.
- 2) Investment value of Kagiso Media has been determined using DCF methodology. Revenue and EBITDA for the financial year ended 30 June 2015 equated to R1,453 million and R436 million respectively. Net external debt totalled R746 million which equates to an enterprise value of R3,591 million and an EV/EBITDA of 8.2x.
- 3) KTH holds a 15% investment in the ordinary shares and a 19% investment in the preference shares of Fidelity Bank. The methodology applied to the valuation has been the market multiple methodology, using the price to earnings multiple as the primary methodology and the price to book multiple as the secondary methodology. KTH purchased preference shares to the value of US\$10m in April 2014, which are non-redeemable, non-cumulative and convertible into ordinary equity. The preference shares have a right to receive a US Dollar denominated dividend of 10.5%, semi-annually on the nominal value. These preference shares are valued at R144.4m. The equity value attributable to KTH is equal to R233.6m and equates to a price earnings ratio of 7.2x over the current period.

Notes

- 4) KTH holds an indirect interest of 7.97% in Mainstreet 333 (Pty) Limited (“Mainstreet”) which in turn owns 52.09% of the ordinary shares in Exxaro. The shares in Exxaro have been valued at the closing price of R86.92 as at 30 June 2015 and a lock in discount of 2.5% has been applied to this value. Following the deduction of liabilities of R3 771 million, Mainstreet has an NAV of R12 039 million. Further minority and liquidity discounts of 20% are applied to KTH’s interest in Mainstreet. This value is further reduced by liabilities attached to KTH’s interest in Mainstreet to establish the NAV of the indirect interest in Exxaro via, inter alia, Mainstreet.
- 5) KTH holds 3,509,000 shares in AECl which had a closing price of R114.50 per share at 30 June 2015. A 2.5% lock in discount has been applied, which falls away on 31 December 2015. Liabilities net of cash were R12.5m in the SPV.
- 6) Other assets include R217 million in listed assets and R2,2994 million of unlisted asset, amongst others. Assets valued above R100 million include investments in Actom Investments Holding, First Rand Empowerment Trust, ERIS, Idwala Industrial Holdings, Infrastructure Finance Corporation, Kagiso Asset Management, Mecure Health Limited, Metropolitan Health Corporate, Mototolo Joint Venture, Sea Harvest Holdings.



Thank you