TISO BLACKSTAR

Tiso Blackstar Group SE

Results Announcement June 2016

Incorporated in Malta
Company number SE 4
Registered as an external company with limited liability in the Republic of South Africa under registration number 2011/008274/10
LSE Share code: TBGR
JSE Share code: TBG
ISIN: MT0000620113
("Tiso Blackstar" or the "Company" or the "Group")

Director's statement

Highlights for the year ended 30 June 2016

- **Group EBITDA R522 million (£24 million) over the period**
- **Core asset TMG EBITDA up 15% to R358 million (£17 million) (2015 - R310 million, £17 million)**
- **Underlying earnings showed growth in tough markets**
- **Reduced acquisition debt from R500 million (£26 million) to R414 million (£21 million)**
- **TMG debt reduced from R800 million (£42 million) to R730 million (£37 million)**
- **Final dividend per share 4.47 cents (0.25 pence) (interim 3.74 cents (0.17 pence))**
- **Change in status - investments will now be consolidated and no longer fair valued providing more meaningful reporting on the Group's trading performance**
- **R1,987 million (£102 million) of non-core assets earmarked for disposal**

Executive summary

Overview

In March 2016, Tiso Blackstar announced its intention to become a single sector investment holding company with a focus on media and related industries in a more focused approach. With its media expertise, intellectual capital and operational ability, Tiso Blackstar is ideally positioned to focus its resources on developing its existing brands and media businesses as well as seeking media related opportunities, on the African continent.

This shift in focus means that Tiso Blackstar will dispose of all non-core assets carried at a fair value of R1,987 million (£102 million) at 30 June 2016 which have been identified as:

- Robor Proprietary Limited ("Robor")
- Consolidated Steel Industries Proprietary Limited ("CSI")
- Kagiso Tiso Holdings Proprietary Limited ("KTH")

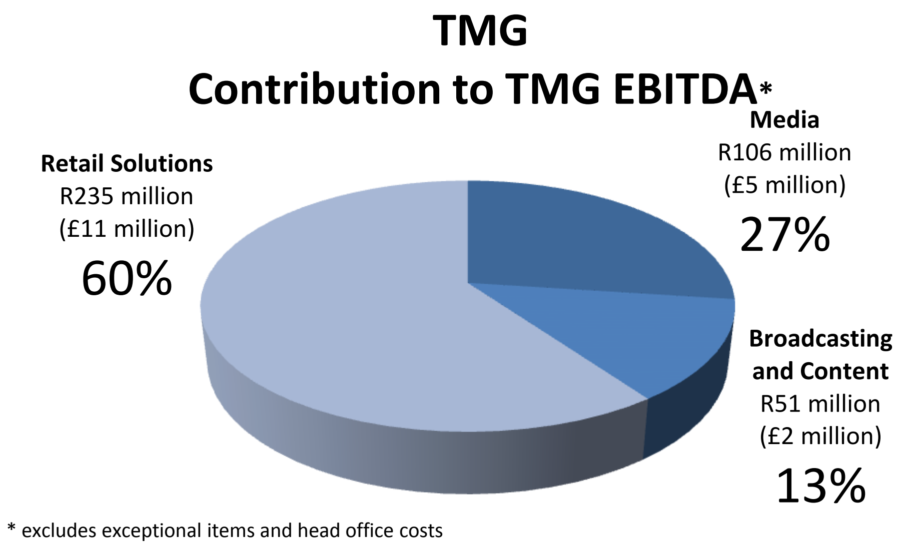
The exit process will be conducted in a measured and orderly manner with the objective to ensure that not only optimal exit values are achieved for the benefit of our shareholders but also to take into account our responsibilities to other key stakeholders within these businesses. The Tiso Blackstar Board stresses that achieving optimum value for these assets is paramount and to this end will be patient in concluding the sale.

Once Tiso Blackstar progresses in the disposal of its non-core investments to move towards being a single sector investment holding company, it is expected to cease to be regarded as an Investment Entity under the accounting standards. Consequently, investments in subsidiaries and associates will no longer be fair valued but rather consolidated and equity accounted, and the Group's performance will no longer be assessed on a net asset value ("NAV") basis but rather on earnings. This is expected to take effect for the first time in the Group's interim results for the period ending 31 December 2016. For reference, had the Group consolidated its investments in this current reporting period, it is estimated that it would have reported Group Earnings before Interest, Taxation, Depreciation and Amortisation ("EBITDA") amounting to approximately R522 million (£24 million) of which Times Media Group Limited ("TMG") contributed 69% with EBITDA of R358 million (£17 million) (excluding African investments). Non-core assets CSI and Robor contributed EBITDA of R66 million (£3 million) (13%) and R105 million (£5 million) (annualised, 20%) respectively. A dividend of R30 million (£1 million) from KTH represented 6% of EBITDA and the balance (-8%) comprised mainly of Tiso Blackstar head office running costs.

In difficult markets and a challenging South African economy, Tiso Blackstar has been able to grow earnings in both its core and non-core investments. This has been achieved by closely monitoring and assessing the performance of each underlying business, streamlining workflows where necessary, concentrating on managing the cost base relative to changes in revenue, increased focus and efforts to growing revenue, investing in new markets within Africa and adding additional revenue streams.

TMG has developed into a wide-ranging media player in the South African and East and West African marketplace, having restructured and diversified over recent years. Originally as a newspaper heritage, the business is often perceived as a newsprint media-only business, but in fact the traditional print and digital Media segment of TMG contributes only 27% of its overall EBITDA.

TMG's earnings base is diverse and covers many media segments and related revenue streams as indicated in the EBITDA analysis provided below.



Retail Solutions operates in selected operating niches primarily within the retail and FMCG sectors providing a range of media services critical to the marketing functions of each client. This operation is more resilient to economic conditions and changing media consumption patterns than traditional media. Retail Solutions represents a significant proportion of the TMG earnings base (60%), and has successfully grown and continues to grow earnings in difficult markets.

Broadcasting and Content comprises TMG's local broadcast and entertainment assets which have performed increasingly well in recent years. Between TV, Films and Music, these businesses contributed R72 million (£3 million) in EBITDA. TMG is investing in two local start up radio stations, Vuma FM and Rise FM, which generated a R21 million (£1 million) combined EBITDA loss for the current year. The Broadcasting and Content division has exciting long-term growth prospects in its radio and TV investments in East and West Africa.

Although successful in terms of diversifying revenues, TMG is highly conscious of the need to adapt its traditional newspaper business to the changing media consumption habits. The Media division has invested in various new and complimenting revenue streams such as digital, eventing and native advertising whilst at the same time resetting its cost base to operate sustainably in the future.

As evident in more developed media markets worldwide, newspapers will remain a relevant and important part of the media mix for many years to come, not only as a highly relevant medium for premium loyal readers but also as an important advertising tool for marketers and media planners.

The non-core assets performed well in challenging markets. Further detail around realisations of these assets will be provided as they develop. The steel sector is currently experiencing tough conditions and is out of favour so patience is required with respect to the realisation of assets in this sector.

Investment performance

Times Media Group

Media division

The Media business continues to be the premier news group in South Africa, accounting for the highest market share in advertising and circulation in the English language newspaper market as well as a significant portion of the digital news landscape. Although the industry is facing structural challenges in the short term it is expected to find a sustainable base from which to operate and even grow, as has already happened in many developed markets.

This division reflected the weak macro-economic environment as well as a structural decline in print consumption and advertising in the financial year. As a result the division produced lower revenue and profits, although the positive impact of reduced publishing costs and a more integrated management structure emerged in the second half of the year.

Despite the decline in revenues, the bulk of the group's newspapers remain profitable. Particular highlights include the Business Day and Financial Mail posting EBITDA growth in the full year as a result of rightsizing in the prior two years after several years of negative operational performance. The Eastern Cape unit – comprising The Herald, Daily Dispatch, Weekend Post and community newspapers posted growth in profitability despite continued revenue pressures. National titles The Sunday Times and The Sowetan were affected by a decline in government advertising, particularly tenders and careers advertising, and are being managed to reduce any over-reliance on government advertising.

The magazines business continued to show profit growth as a result of strong management and its niche positioning in key markets.

TMG recognises that although the Media division continues to trade profitably, it needs to be flexible to market conditions in view of the changes to both the media industry and the economy. Several initiatives and strategies were implemented during the current financial year details of which are provided below:

- The business embarked on a fixed cost reduction exercise that unfortunately will include retrenchments. The cost reduction programmes are currently underway and are expected to be implemented fully in the first half of the new financial year following which, the business is expected to stabilise and continue to produce solid cash flow;

- The intended and managed reduction in unprofitable and low-yielding circulation as well as a significant reduction in management costs resulted in close to a 10% reduction in overall costs, although an almost 12% decline in revenues saw a reduction in earnings from existing operations;

- New revenue areas such as Eventing, Digital and Surveys continue to be pursued as they not only offer growth prospects but also an opportunity to offset traditional revenue declines;

- An innovation programme which includes redesigns for all newspapers and an integrated digital workflow process is progressing well with redesigns of Business Day, Financial Mail and Sunday Times expected to be launched by October 2016, and the balance of titles launched early in 2017;

- Following a period of intense focus and investment in talent and technology, the group's digital properties showed exceptional growth, with TimesLive, BDLive and SowetanLive posting year on year audience growth of between 35% and 55%;

- Monetising audience in a digital world remains a challenge, but a revamped BusinessLive site, which will include a paywall, with exceptional content from our own writers as well as exclusive Wall Street Journal and Financial Times content amongst others, will be launched in the second quarter of the financial year and offers further revenue growth opportunities;

- In August 2016, Business Day's highly popular and high-end luxury magazine Wanted also launched a digital version, Wantedonline, and has already attracted significant advertiser and user interest;

- The Media business will move into modern new premises by the end of the financial year ended 30 June 2017, enabling a more integrated approach to news gathering and production across platforms as well as producing bottom line savings in rental and facilities costs;

- The company continues to invest in quality journalism across its platforms as borne out by the exceptional performance by its reporting teams at all of the key national journalism awards in 2016; and

- Distribution network: Significant progress has been made in reducing inefficiencies in the distribution and logistics network, but this remains an area for further improvement with industry cooperation.

Broadcasting and Content

In Broadcasting and Content, Television once again performed well with both Ochre (TV production) and One Africa (TV Channels) posting double digit earnings growth. Radio remains in an early investment stage but reined in losses relative to prior year. Both TV and Radio are well positioned to continue to produce solid improvement going forward.

Times Media Films remains the continent's leading all-rights distributor of local and international films business, but had a difficult year as a result of changing market conditions and the industry business model.

Gallo, the music business, produced further growth in earnings and revenue as it continues to build a 360 degree offering including events and artist management with a broad market-wide offering. From being a loss maker three years ago, the combined music business produced an EBITDA of almost R10 million (£0.5 million).

Retail Solutions

Hirt & Carter ("H&C")

Despite certain customers reducing spend as a result of the tough macro-economic environment, H&C was able to achieve growth in EBITDA of 5.8%. The continued focus on efficiencies and cost savings assisted in streamlining the business and improving the gross margin for the year. H&C also made the decision to exit certain sectors of the market that were not generating the required returns.

The retail software footprint of the business continues to grow with the addition of new customers in this space during the current year and leads to win attractive new clients in the near future.

Focus on the Omni-Channel retail environment has opened up opportunities to extend software and data services with e-commerce projects having commenced and a number of new clients being won.

H&C is investing in a single centre of excellence and as a result closed the Gauteng production facility in June 2016 and will be relocating to a new facility in Durban in July 2018. The design of the new facility will lead to better efficiencies, a reduced footprint and an inherent overall operating cost reduction. In line with global trends, H&C has also invested in cutting edge digital technology for its Durban facility which should be fully operational from November 2016 and will completely refresh the factory. Customers will have access to a greater range of solutions for their marketing spend.

Uniprint

Despite a challenging economy and a volatile South African currency, Uniprint increased its turnover by 9.6% and operating profit by 28%. This was largely as a result of increased election work in Africa. The labels and forms division performed well, and Uniprint recently concluded a transaction to acquire a substantial niche packing business which will provide necessary economies of scale to its existing packaging business.

African Media investments

Tiso Blackstar's expansion into other African territories offers strong upside potential. The 49% interest in Radio Africa Limited ("RAG") in Kenya and 32% interest in Multimedia Group Limited ("MGG") in Ghana represent substantial growth opportunities over the longer term, as do early stage investments in Nigeria and potentially Uganda. Most media markets across the continent are small relative to more developed markets and are expected to expand with their fast growing consumer markets.

Radio in these countries has large, engaged audiences and is a large advertising medium. Tiso Blackstar's radio assets are well positioned in these markets. Furthermore they have invested in television, which is still in its infancy of developing audience and advertising market share.

In Kenya, RAG's top three radio brands (Jambo, Classic and Kiss) have a cumulative national audience of almost 18 million in a population of 44.4 million and represent three of the top five most listened to radio stations. RAG has also invested in an early stage Digital Terrestrial Television ("DTT") television business called Bamba TV. RAG has a five year trend of strong revenue and earnings growth (up 125%), with earnings up six fold over the period in local currency. Recent profits have been slowed by its TV investment, but this investment is expected to deliver significant growth in the future.

In Rand terms the core Kenyan radio business generated EBITDA of R47 million (£2 million). After accounting for early stage investment in DTT business Bamba TV, and certain start up radio stations, RAG produced EBITDA of R29 million (£1 million).

MGG is the leading independent media player in Ghana and holds three of the top six radio stations in the country with significant advertising market share. Its radio earnings quadrupled in five years, despite significant economic challenges in the country and region, off the back of a threefold revenue growth over the period in local currency. The TV investment, Multi TV, has shown some benefit following restructuring, achieving a 32% market share for the three operating channels and reducing losses at the same time.

MGG's full year earnings in 2015 from radio were R30 million (£2 million), but after accounting for the investment in developing Multi TV amounted to R6 million (£0.3 million). In the first seven months of the year radio was trading 8% better at a profitability level and TV had reduced losses by 44%.

The group acquired an effective 36.5% interest in start-up Lagos Talk station in Nigeria with an option into the broader Megalectrics business which holds Beat, Classic and Naija and has an option to purchase leading Ugandan stations Capital and Beat in Kampala.

Non-core assets

Tiso Blackstar holds a 22.9% interest in KTH, a leading black owned diversified investment holding company with investments in a broad range of sectors including media, financial services, resources, industrial and healthcare. In line with its intention to dispose of its non-core assets, Tiso Blackstar is in the early stages of negotiating a disposal of its interest in KTH which is expected to be completed within the next financial year. KTH is carried at its estimated fair value less cost to sell of R1.5 billion (£78 million) and separately disclosed as a non-current asset held for sale.

Revenue at CSI, comprising the Stalcor and Global Roofing Solutions businesses, was flat and normalised earnings were down by 9% due to the trading impact of the location move in Gauteng, set-up costs relating to the expansion of its South African branch network and a highly competitive economic environment. CSI achieved an EBITDA of R66 million (£3 million) for the current financial year. The business is well positioned for growth next year with its established African footprint, additional branches, product lines and improved banking facilities.

Robor had a good nine month financial year to 30 June 2016 generating an EBITDA of R79 million (£4 million) and has traded well in a very difficult environment. The company remains well positioned in the renewable energy, water, transmission and cellular tower markets, and has chosen to pursue margin preservation over volume in the year ahead, focusing on value added products. Robor is in the process of securing larger working capital facilities to ensure that it has sufficient head room when larger projects commence.

Financial review

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

As a result of this accounting treatment, the Tiso Blackstar consolidated statement of financial position is more closely aligned with the Intrinsic NAV of the Group than it would be under the traditional equity accounting model.

Subsequent to year end, Tiso Blackstar's status as an Investment Entity is expected to change as a result of its revised strategy and thus going forward, Tiso Blackstar will no longer account for its net investments in subsidiaries and associates as investments held at fair value through profit and loss but rather consolidate its subsidiaries and equity account for its investments in associates. The interim results for the period ended 31 December 2016 are expected to be prepared on this basis.

On completion of the TMG and KTH acquisitions during June 2015, Tiso Blackstar changed its financial year end from 31 December to 30 June. The comparative reporting period is therefore provided for a six month period ended 30 June 2015.

Investment-related income for the year ended 30 June 2016 amounted to R423.0 million (£19.7 million) which comprises of income generated from investments in the form of support, guarantee and directors fees, and dividends and interest income. The majority of the dividend income consists of the investments in RAG and MGG received as a dividend in specie of R339.5 million (£15.8 million).

The investments held by Tiso Blackstar have performed well operationally in the current financial period and both core and non-core businesses are well positioned to deliver value going forward. Tiso Blackstar has decided to take a conservative approach in valuing its investments resulting in a reduced NAV, which shall be used as the starting point of its consolidated financial statements going forward.

Net fair value and foreign exchange losses for the year ended 30 June 2016 amounted to R1,036.3 million (£48.3 million) which mainly comprises of net losses on investments of R1,035.4 million (£48.2 million).

Net losses on investments includes R2.1 million (£0.1 million) of realised losses on disposal of its smaller investments and R1,033.3 million (£48.1 million) of unrealised net fair value losses. The majority of the unrealised net fair value losses consists of: a R1,091.7 million (£50.8 million) loss on TMG; a R85.1 million (£4.0 million) loss on CSI; a R109.8 million (£5.1 million) gain on Robor; and a R14.5 million (£0.7 million) loss on Tiso Blackstar Real Estate Proprietary Limited and the property subsidiaries.

Operating expenses of R63.9 million (£3.0 million) mainly include the day-to-day operational expenses of R40.7 million (£1.9 million) incurred to run Tiso Blackstar and its consolidated subsidiaries, and transaction related costs of R16.9 million (£0.8 million) the majority of which are costs arising on the shareholder approved migration to the UK. Operational expenses for the reporting period amount to 1.2% of the Intrinsic NAV as at 30 June 2016 and transaction related costs incurred amounted to 0.5% of the value of the investments acquired. Costs are closely monitored and action is taken wherever possible to cut any excess expenditure in order to improve the profitability of the Group.

Total equity attributable to equity holders of Tiso Blackstar decreased from R4.4 billion (£230.4 million) at 30 June 2015 to R3.5 billion (£179.2 million) at 30 June 2016 as a result of the net losses on investments recognised in profit and loss.

Total assets decreased from R4.9 billion (£254.9 million) as at 30 June 2015 to R3.9 billion (£200.8 million) as at 30 June 2016 as a result of the decline in the fair value of investments held at fair value though profit and loss.

At 30 June 2016, the investment in KTH met the requirements of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, and has been separately classified and disclosed from other investments held at fair value through profit and loss, as a non-current asset held for sale and a discontinued operation.

Changes in the fair value, dividends and fees earned, and relating tax charges, attributable to KTH have been disclosed separately from continuing operations as a discontinued operation. The loss from the discontinued operation of R179.9 million (£8.4 million) includes R209.5 million (£9.8 million) net loss recognised on the investment in KTH; R29.5 million (£1.4 million) dividend received; and R1.0 million (£0.05 million) in directors' fees earned.

On implementation of the TMG and KTH acquisitions during June 2015, Tiso Blackstar raised debt of R534.0 million (£28.0 million) which was used to settle the existing facility held, transaction related costs and the cash consideration of the KTH purchase price. This debt was reduced to R413.8 million (£21.2 million) by 30 June 2016 utilising proceeds from disposals of smaller investments and free cash.

Cash and cash equivalents declined by R6.6 million (£0.3 million) during the current financial year to an amount of R13.1 million (£0.7 million). Significant cash flow movements during the year include a R76.4 million (£3.6 million) cash outflow on repayment of borrowings and related finance costs; a R11.1 million (£0.5 million) cash outflow on purchase of treasury shares off the open market; a R10.0 million (£0.5 million) cash outflow of dividends paid to shareholders; a R16.9 million (£0.8 million) cash outflow on acquisition of investments; a R99.5 million (£4.6 million) cash inflow in respect of dividends and interest income; a R55.8 million (£2.6 million) cash inflow on realisation of investments.

Share buy-backs, share issues and treasury shares

During the current financial year, the Company repurchased a total of 1,182,310 Tiso Blackstar shares in the open market at an average price per share of R9.38 (£0.44) per share and a total cost of R11.1 million (£0.5 million). At 30 June 2016, Tiso Blackstar held 1,067,925 treasury shares, representing 0.4% of the issued share capital. As long as the Tiso Blackstar share price trades at a significant discount to its Intrinsic NAV, the Company will continue with further share buy-backs.

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

Other matters

Tiso Blackstar anticipates that with time its share price will be evaluated more by underlying earnings than NAV due to the afore-mentioned shift in focus to investing in a media related businesses.

As a result of this, the Tiso Blackstar Board has taken the view that there will be a change in the Group's status as an Investment Entity as defined in IFRS 10 Consolidated Financial Statements. In the future, Tiso Blackstar will no longer account for its net investments in subsidiaries and associates as investments held at fair value through profit and loss but rather consolidate its subsidiaries and equity account for its investments in associates. It is currently expected that the Group's interim results for the period ended 31 December 2016 and annual/interim results thereafter will be prepared on a consolidated basis.

It is believed that consolidated results will provide investors more meaningful insight into the earnings and trading performance of the Group. This change in approach will also necessitate a change in the long term Management Incentive Scheme which will be presented to shareholders in due course.

The Company continues to work with its advisers on the shareholder approved migration of its registered office from Malta to the UK as well as the migration of the investment holding company Tiso Blackstar Cyprus from Cyprus to the UK. This process is complex and has been frustrated by unavoidable delays in ensuring that the migration of Tiso Blackstar Cyprus complies with the regulatory and administrative requirements of regulators in Cyprus and the UK. Subject to the necessary approvals being obtained, the Company's advisers anticipate that the migration process should be completed in the first half of 2017.

Dividends

Tiso Blackstar views dividends as an important part of shareholder return and value. In determining dividends, the Company considers its current financial flexibility, the expected net cash flows from assets, as well as expected strategic corporate actions. It also considers the current share trading price, and the opportunity to buy back Tiso Blackstar shares to enhance shareholder return. The Company places emphasis on making some dividend payments on an interim and final basis, with a view to growing the dividend over time. The Tiso Blackstar Board has recommended a final dividend of 4.47275 South African cents (0.25 pence) per share, which is subject to shareholder approval at the next annual general meeting. The timetable for the dividend, which includes the record and payment dates, will be released along with the timetable for the annual general meeting in due course.

Black Economic Empowerment

Tiso Blackstar is committed to transformation and the revised Broad-Based Black Economic Empowerment Codes of Good Practice which came into effect on 1 May 2015 ("B-BBEE"). A summary of its key empowerment credentials include:

- Tiso Blackstar has a B-BBEE ownership status of 45.47%;
- TMG achieved a level 3 contributor status on the revised B-BBEE codes;
- TMG has a B-BBEE ownership status of 58.47%; and
- TMG is considered an empowering supplier with a 110% procurement recognition level.

Outlook

The past financial year has been spent not only bedding down the acquisition of the stake in KTH and the remaining shares in TMG, but also reviewing the operations and making necessary adjustments to remain profitable during tough economic conditions. With a solid foundation in place, the change in strategic direction to an exclusive media focus represents exciting times for Tiso Blackstar. TMG continues to be one of the leading media groups in South Africa and now has the ability to adapt to changes in the market. It has invested in new revenue streams, technology, talent and innovative concepts which are expected to enhance earnings in the upcoming year. Media and related industries is an attractive high value sector across the African continent and the Group will continue to consider acquisitions to complement its existing media assets in South Africa, Kenya, Ghana and Nigeria.

Tiso Blackstar has identified non-core assets amounting R1,987 million (£102 million) for disposal and has already made good progress in this regard. Negotiations are currently underway for the disposal of the 22.9% interest in KTH, which has a value of R1.5 billion (£78 million). With a completion date expected within the next financial year, this will allow Tiso Blackstar to settle all of its outstanding acquisition debt (amounting to R414 million (£21 million) at 30 June 2016), and the balance of proceeds will provide the Group with the opportunity to invest in existing and or new media-focused investments. The sale of non-core assets not only enhances Tiso Blackstar's cashflow position, but also provides it with more flexibility to invest in exciting growth opportunities.

Tiso Blackstar is intent on becoming a dominant player in the African media sector whilst unlocking value for the benefit of shareholders. With the various initiatives being driven within the Group, significant headway is expected to be achieved in the following year.

AD Bonamour
Non-executive Director
6 October 2016

DKT Adomakoh
Non-executive Chairman

Consolidated statement of comprehensive income

for the year ended 30 June 2016

*As restated Six months ended 30 June 2015 R'000	Twelve months ended 30 June 2016 R'000		Twelve months ended 30 June 2016 £'000	*As restated Six months ended 30 June 2015 £'000
78,140	**422,952**	Investment-related income	**19,696**	4,303
377,823	**(1,036,271)**	Net fair value and foreign exchange (losses) gains	**(48,258)**	20,804
(66,126)	**(63,877)**	Operating expenses	**(2,976)**	(3,638)
389,837	**(677,196)**	**Operating (loss) profit**	**(31,538)**	21,469
(5,330)	**(48,865)**	Net finance costs	**(2,276)**	(294)
517	**1,251**	Finance income	**58**	28
(5,847)	**(50,116)**	Finance costs	**(2,334)**	(322)
384,507	**(726,061)**	**(Loss) Profit before taxation**	**(33,814)**	21,175
289	**(955)**	Taxation	**(45)**	15
384,796	**(727,016)**	**(Loss) Profit from continuing operations**	**(33,859)**	21,190
		Discontinuing operations		
(50,689)	**(179,853)**	Loss from discontinued operation, net of taxation	**(8,375)**	(2,791)
334,107	**(906,869)**	**(Loss) Profit for the year**	**(42,234)**	18,399
		Other comprehensive loss - items that may subsequently be reclassified to profit and loss:		
-	-	Currency translation differences on the translation of Rand denominated Group entities	**(8,887)**	(12,900)
-	-	**Total other comprehensive loss recognised directly in equity**	**(8,887)**	(12,900)
334,107	**(906,869)**	**Total comprehensive (loss) income for the year**	**(51,121)**	5,499
		(Loss) Profit for the year attributable to:		
334,277	**(906,869)**	Equity holders of the parent	**(42,234)**	18,408
(170)	**-**	Non controlling interests	**-**	(9)
334,107	**(906,869)**		**(42,234)**	18,399
		Total comprehensive (loss) income attributable to:		
334,277	**(906,869)**	Equity holders of the parent	**(51,121)**	5,508
(170)	**-**	Non controlling interests	**-**	(9)
334,107	**(906,869)**		**(51,121)**	5,499
317.81	**(339.40)**	**Basic and diluted (losses) earnings per ordinary share attributable to equity holders (in cents/pence)**	**(15.81)**	17.50
366.00	**(272.09)**	**Basic and diluted (losses) earnings per ordinary share attributable to equity holders from continuing operations (in cents/pence)**	**(12.67)**	20.15
105,181	**267,199**	**Weighted average number of shares (net of treasury shares, in thousands)**	**267,199**	105,181
		Basic and diluted headline (losses) earnings per share ^		
334,277	**(906,869)**	(Loss) Profit for the year attributable to equity holders of the parent, adjusted for:	**(42,234)**	18,408
875	**-**	Impairment of goodwill	**-**	46
-	**737**	Impairment of loans designated at fair value through profit and loss	**34**	-
62	**3**	Loss on disposal of equipment	**-**	3
(262)	**(1)**	Total tax effects of adjustments	**-**	(14)
334,952	**(906,130)**	Headline (losses) earnings	**(42,200)**	18,443
318.45	**(339.12)**	Basic and diluted headline (losses) earnings per ordinary share attributable to equity holders (in cents/pence)	**(15.79)**	17.53

* Restated for discontinued operation, refer note 3

^ Disclosure of headline (losses) earnings has been provided in accordance with the JSE Listings Requirements

Consolidated statement of changes in equity

for the year ended 30 June 2016

	Share capital R'000	Share premium R'000	Capital redemption reserve R'000	Treasury shares reserve R'000	Retained earnings R'000	Attributable to equity holders R'000	Non controlling interests R'000	Total equity R'000
Balance as at 31 December 2014	574,672	23,143	52,173	(9,284)	809,688	1,450,392	(206)	1,450,186
Total comprehensive income for the period	-	-	-	-	334,277	334,277	(170)	334,107
Income for the period	-	-	-	-	334,277	334,277	(170)	334,107
Other comprehensive loss for the period	-	-	-	-	-	-	-	-
Transactions with owners:	1,960,770	678,638	-	9,284	(30,713)	2,617,979	42	2,618,021
Shares issued for investment acquisitions	1,950,299	677,038	-	-	-	2,627,337	-	2,627,337
Issue of shares as part of the long term Management Incentive Scheme	10,471	1,503	-	-	(11,974)	-	-	-
Treasury shares issued during the period as part of the long term Management Incentive Scheme	-	97	-	9,284	(9,381)	-	-	-
Equity settled share based payment	-	-	-	-	2,432	2,432	-	2,432
Reduction in non controlling interests arising on acquisition of further interest in Blackstar Fund Managers Proprietary Limited ("BFM")	-	-	-	-	(42)	(42)	42	-
Dividends paid	-	-	-	-	(11,748)	(11,748)	-	(11,748)
Balance as at 30 June 2015	2,535,442	701,781	52,173	-	1,113,252	4,402,648	(334)	4,402,314
Total comprehensive loss for the year	-	-	-	-	(906,869)	(906,869)	-	(906,869)
Loss for the year	-	-	-	-	(906,869)	(906,869)	-	(906,869)
Other comprehensive loss for the year	-	-	-	-	-	-	-	-
Transactions with owners:	18,594	(569)	-	(9,797)	(10,458)	(2,230)	334	(1,896)
Shares issued for investment acquisition	18,594	(569)	-	1,293	-	19,318	-	19,318
Purchase of treasury shares	-	-	-	(11,090)	-	(11,090)	-	(11,090)
Disposal of entire interest in BFM	-	-	-	-	(445)	(445)	334	(111)
Dividends paid	-	-	-	-	(10,013)	(10,013)	-	(10,013)
Balance as at 30 June 2016	**2,554,036**	**701,212**	**52,173**	**(9,797)**	**195,925**	**3,493,549**	**-**	**3,493,549**

Consolidated statement of changes in equity continued
for the year ended 30 June 2016

	Share capital	Share premium	Capital redemption reserve	Treasury shares reserve	Foreign Currency Translation Reserve ("FCTR")	Retained earnings	Attributable to equity holders	Non controlling interests	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 31 December 2014	55,347	2,024	4,599	(713)	(28,762)	48,079	80,574	(11)	80,563
Total comprehensive income for the period	-	-	-	-	(12,900)	18,408	5,508	(9)	5,499
Income for the period	-	-	-	-	-	18,408	18,408	(9)	18,399
Other comprehensive loss for the period	-	-	-	-	(12,900)	-	(12,900)	-	(12,900)
Transactions with owners:	107,963	37,367	-	713	-	(1,691)	144,352	2	144,354
Shares issued for investment acquisitions	107,386	37,279	-	-	-	-	144,665	-	144,665
Issue of shares as part of the long term Management Incentive Scheme	577	83	-	-	-	(660)	-	-	-
Treasury shares issued during the period as part of the long term Management Incentive Scheme	-	5	-	713	-	(516)	202	-	202
Equity settled share based payment	-	-	-	-	-	134	134	-	134
Reduction in non controlling interests arising on acquisition of further interest in BFM	-	-	-	-	-	(2)	(2)	2	-
Dividends paid	-	-	-	-	-	(647)	(647)	-	(647)
Balance as at 30 June 2015	163,310	39,391	4,599	-	(41,662)	64,796	230,434	(18)	230,416
Total comprehensive loss for the year	-	-	-	-	(8,887)	(42,234)	(51,121)	-	(51,121)
Loss for the year	-	-	-	-	-	(42,234)	(42,234)	-	(42,234)
Other comprehensive loss for the year	-	-	-	-	(8,887)	-	(8,887)	-	(8,887)
Transactions with owners:	891	(28)	-	(468)	-	(485)	(90)	18	(72)
Shares issued for investment acquisition	891	(28)	-	62	-	-	925	-	925
Purchase of treasury shares	-	-	-	(530)	-	-	(530)	-	(530)
Disposal of entire interest in BFM	-	-	-	-	-	(19)	(19)	18	(1)
Dividends paid	-	-	-	-	-	(466)	(466)	-	(466)
Balance as at 30 June 2016	**164,201**	**39,363**	**4,599**	**(468)**	**(50,549)**	**22,077**	**179,223**	**-**	**179,223**

A 2014 final dividend of 14 South African cents, 0.77 pence per ordinary share was paid on 8 June 2015.

A 2016 interim dividend of 3.74 South African cents, 0.17 pence per ordinary share was paid on 13 June 2016.

A 2016 final dividend of 4.47 South African cents, 0.25 pence per ordinary share was recommended on 6 October 2016.

Consolidated statement of financial position

as at 30 June 2016

30 June 2015 R'000	**30 June 2016 R'000**		**30 June 2016 £'000**	30 June 2015 £'000
		Assets		
3,208	**2,343**	Deferred tax assets	**120**	167
1,079	**4,331**	Equipment	**222**	56
4,813,605	**2,369,958**	Financial assets at fair value through profit and loss	**121,581**	251,944
2,983,436	**1,955,133**	Net investments in subsidiaries	**100,300**	156,153
1,734,013	**399,697**	Net investments in associates	**20,505**	90,758
96,156	**15,128**	Financial assets held for trading	**776**	5,033
-	**1,520,000**	Asset held for sale	**77,978**	-
150	**198**	Current tax assets	**10**	9
32,317	**4,008**	Trade and other receivables	**206**	1,691
19,727	**13,086**	Cash and cash equivalents	**671**	1,032
4,870,086	**3,913,924**	**Total assets**	**200,788**	254,899
		Liabilities		
(141)	**(84)**	Deferred tax liabilities	**(4)**	(7)
(22)	**(1,195)**	Other financial liabilities	**(61)**	(1)
(440,000)	**(413,766)**	Borrowings	**(21,227)**	(23,030)
(72)	**(160)**	Current tax liabilities	**(8)**	(4)
(27,537)	**(5,170)**	Trade and other payables	**(265)**	(1,441)
(467,772)	**(420,375)**	**Total liabilities**	**(21,565)**	(24,483)
4,402,314	**3,493,549**	**Total net assets**	**179,223**	230,416
		Equity		
2,535,442	**2,554,036**	Share capital	**164,201**	163,310
701,781	**701,212**	Share premium	**39,363**	39,391
52,173	**52,173**	Capital redemption reserve	**4,599**	4,599
-	**(9,797)**	Treasury shares reserve	**(468)**	-
-	**-**	Foreign currency translation reserve	**(50,549)**	(41,662)
1,113,252	**195,925**	Retained earnings	**22,077**	64,796
4,402,648	**3,493,549**	**Total equity attributable to equity holders**	**179,223**	230,434
(334)	**-**	Non controlling interests	**-**	(18)
4,402,314	**3,493,549**	**Total equity**	**179,223**	230,416
1,651	**1,307**	**Net asset value per share (in cents/pence)**	**67**	86
266,665	**267,223**	**Actual number of shares in issue (net of treasury shares, in thousands)**	**267,223**	266,665

Consolidated statement of cash flows

for the year ended 30 June 2016

Six months ended 30 June 2015 R'000	**Twelve months ended 30 June 2016 R'000**		**Twelve months ended 30 June 2016 £'000**	Six months ended 30 June 2015 £'000
		Cash flow from operating activities		
(84,556)	**(43,599)**	Cash absorbed by operations	**(2,033)**	(4,655)
(493,480)	**(16,864)**	Additions to investments	**(759)**	(27,171)
110,080	**55,840**	Proceeds from investments	**2,588**	6,061
74,473	**99,469**	Dividend and interest income received	**4,632**	4,101
-	**(1,603)**	Taxation paid	**(75)**	-
(393,483)	**93,243**	**Cash generated (absorbed) by operating activities**	**4,353**	(21,664)
		Cash flow from investing activities		
(63)	**(3,698)**	Purchase of equipment	**(172)**	(3)
4	**25**	Proceeds on disposal of equipment	**1**	-
517	**1,251**	Finance income received	**58**	28
-	**(9)**	Disposal of subsidiary	**-**	-
458	**(2,431)**	**Cash (absorbed) generated by investing activities**	**(113)**	25
		Cash flow from financing activities		
534,200	**-**	Borrowings raised	**-**	29,414
(166,873)	**(26,234)**	Borrowings repaid	**(1,222)**	(9,189)
(5,847)	**(50,116)**	Finance costs paid	**(2,334)**	(322)
-	**(11,090)**	Purchase of treasury shares	**(530)**	-
(11,748)	**(10,013)**	Dividends paid to equity holders of the parent	**(466)**	(647)
349,732	**(97,453)**	**Cash (absorbed) generated by financing activities**	**(4,552)**	19,256
(43,293)	**(6,641)**	**Net decrease in cash and cash equivalents**	**(312)**	(2,383)
63,020	**19,727**	Cash and cash equivalents at the beginning of the year	**1,032**	3,501
-	**-**	Exchange losses on cash and cash equivalents	**(49)**	(86)
19,727	**13,086**	**Cash and cash equivalents at the end of the year**	**671**	1,032

Notes to the consolidated financial statements

for the year ended 30 June 2016

1. Financial information

The financial information set out above does not constitute the Company's statutory accounts for the year ended 30 June 2016 or six months ended 30 June 2015 as defined in section 171 of the Malta Companies Act 1995. Statutory accounts for the year ended 30 June 2016 will be delivered to the Malta Registrar of Companies following the Company's annual general meeting. The auditors have reported on those accounts, their reports were unqualified and did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their reports. Their reports for the year ended 30 June 2016 or six months ended 30 June 2015 did not contain statements under s149 paragraph (10), (11), (12) of the Malta Companies Act 1995.

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

Tiso Blackstar is dual listed with a primary listing on the AIM market of the London Stock Exchange ("AIM") and a secondary listing on the Altx of the JSE Limited ("JSE") in South Africa. As a result, Tiso Blackstar has two presentational currencies being South African Rand ("Rands") and Pounds Sterling ("Pounds Sterling").

This announcement contains inside information for the purposes of article 7 of the Market Abuse Regulation (EU) No. 596/2014.

2. Distribution of the annual report and accounts to shareholders

The Group's audited statutory accounts for the year ended 30 June 2016 will be available shortly to shareholders via the Company's website www.tisoblackstar.com.

3. Discontinued operation

Tiso Blackstar announced its change in strategy to focus on investments in media and related industries, and to therefore dispose of its non-core assets.

In line with this, Tiso Blackstar is in the early stages of negotiating a disposal of its interest in KTH which is expected to be completed within the next financial year. The investment in KTH has therefore been disclosed as a discontinued operation, and classified and disclosed as a non-current asset held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

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