

## Tiso Blackstar shares remain untraded after it delays special dividend

Tiso Blackstar's share remained untraded on Tuesday morning, with only a wide spread between its bid and ask price showing a reaction to a statement released at 5.30pm on Monday that a special dividend of R40m promised in July 2017 had been delayed indefinitely.



[Supplied](#)

A buyer was willing to pay R4.66 per Tiso Blackstar share, which if accepted would cause the price to drop more than 30% from the R6.70 it last traded at. A seller was willing to accept R6, which would equate to a 10% drop from Monday's closing price.

The owner of BusinessLIVE said on Monday that the proposed buyback of its 22.9% holding of unlisted Kagiso Tiso Holdings (KTH), whose subsidiaries include radio stations Jacaranda FM and East Coast Radio, had been revised.

In July 2017, Tiso Blackstar said it expected KTH to repurchase its shares for R1.5bn over an 18-month period.

Monday's statement said the parties had agreed to renegotiate these deals "due to adverse market conditions in the latter half of 2017, which resulted in a decline in the KTH portfolio valuation and it was therefore not in the best interests of KTH to continue with the full quantum of the buy-back".

Under the first phase of a revised repurchase plan, KTH agreed to buy 3.61% of its shares from Tiso Blackstar for R197.9m, which the seller expects to receive by 30 April.

Tiso Blackstar will use these proceeds to reduce its debt, which stood at R407.2m at June 30 2017, Monday's statement said.

"In light of the events as detailed above, the special dividend of R40m, which was conditional upon implementation of the intended KTH disposal, will be reconsidered as part of phase two of the revised KTH disposal."

Tiso Blackstar issued a trading statement on March 14 saying it expected to report on Wednesday that its headline earnings per share (HEPS) for the six months to end-December had increased nearly sevenfold.

The media group — whose titles include Sunday Times, Business Day and Sowetan — said it expected to report interim HEPS of between 19.96c and 20.57c from the matching period's 3.05c.

"The group's core businesses, media and related operations, performed exceptionally well under tough trading conditions, delivering a mix of sustainable new revenue streams and tight cost management," the company said in its trading statement.

"The core businesses delivered combined growth in earnings and revenue and are well placed to benefit from the improving economic climate."

**Source:** Business Day

For more, visit: <https://www.bizcommunity.com>