

New Bond Capital Limited  
(Previously Mvelaphanda Group Limited)  
Incorporated in the Republic of South Africa  
Registration number: 1995/004153/06  
Share code: NBC  
ISIN: ZAE000170726  
("New Bond Capital" or "NBC")

Blackstar Group SE  
(Previously Blackstar Group PLC)  
(Registered in Malta with registration number SE 4)  
(Registered as an external company with limited liability in the Republic of South Africa under registration number 2011/008274/10)  
Share code: BCK / BLCK  
ISIN: MT0000620105  
("Blackstar")

**JOINT ANNOUNCEMENT OF THE ADJUSTED SWAP RATIO RELATING TO THE OFFER MADE BY BLACKSTAR TO ACQUIRE THE ENTIRE ISSUED ORDINARY SHARE CAPITAL OF NEW BOND CAPITAL BY WAY OF A SCHEME OF ARRANGEMENT (THE "SCHEME")**

**1. INTRODUCTION**

- 1.1. Shareholders of NBC ("NBC Shareholders") are referred to the joint announcement by NBC and Blackstar published on SENS on Monday, 4 March 2013 and in the press on Friday, 8 March 2013 ("the Firm Intention Announcement"), advising of the firm intention of Blackstar to make an offer for the acquisition by Blackstar, or one of its wholly owned subsidiaries, of the entire issued ordinary share capital of NBC (other than treasury shares held by subsidiaries of NBC and shares already held by Blackstar in NBC) (the "Target Shares"), by way of a scheme of arrangement in terms of section 114 of the Companies Act 71 of 2008, as amended (the "Companies Act").
- 1.2. If implemented, the Scheme will result in those NBC Shareholders participating in the Scheme receiving 1.12000 (one point twelve) newly issued ordinary shares in Blackstar ("Blackstar Shares") for every 100 (one hundred) Target Shares disposed of in terms of the Scheme ("the Swap Ratio"), provided that any fraction of a Blackstar Share which an NBC Shareholder (participating in the Scheme) becomes entitled to will be rounded-off such that if it comprises 0.5 (zero point 5) or –
  - 1.2.1. more of a Blackstar Share, it will be rounded upwards; and
  - 1.2.2. less of a Blackstar Share, it will be rounded downwards("the Scheme Consideration").
- 1.3. The mechanism for the calculation of the Swap Ratio is set out in more detail in paragraph 4 of the Firm Intention Announcement.
- 1.4. The Scheme Consideration has been calculated with reference to the intrinsic net asset value per ordinary share ("NAV") of each of Blackstar and NBC as at 31 December 2012, less a 10% (ten percent) discount on each such NAV.

## 2. CALCULATION OF THE ADJUSTED SWAP RATIO

- 2.1. Further to paragraph 4.4 of the Firm Intention Announcement, in the event that the NAV of either Blackstar or NBC had increased or decreased by more than 10% (ten percent) as at the agreed date of 28 February 2013, from the NAV of either Blackstar or NBC as at 31 December 2012, Blackstar and NBC would have recalculated the Scheme Consideration by applying the methodology for the calculation of the Swap Ratio set out in paragraph 4 of the Firm Intention Announcement ("Adjusted Swap Ratio").
- 2.2. The NAV of Blackstar and NBC as at 28 February 2013 did not reflect an increase or decrease by more than 10% from the NAV of either Blackstar or NBC as at 31 December 2012 and a recalculation of the Swap Ratio is not required and the Adjusted Swap Ratio is therefore not applicable. Accordingly, the Swap Ratio remains as set out in paragraph 1.2 above.

## 3. PRO FORMA FINANCIAL EFFECTS OF THE SCHEME

- 3.1. The table below sets out the unaudited pro forma financial effects of the Scheme for a NBC Shareholder. The Blackstar financial information is based on the Blackstar unaudited results for the six months ended 30 June 2012 which have been prepared using accounting policies that comply with International Financial Reporting Standards and that are consistent with those applied in the audited financial statements of Blackstar for the year ended 31 December 2011. The NBC financial information is based on the unaudited results of NBC for the six months ended 31 December 2012 which have been prepared in accordance with International Financial Reporting Standards. The accounting for the acquisition of the Target Shares by Blackstar is in accordance with International Financial Reporting Standard 3: Business Combinations, being IFRS 3R (IFRS 3 as revised and re-issued in January 2008 and amended in May 2010).
- 3.2. The preparation of unaudited pro forma financial information in respect of NBC is the responsibility of the NBC directors and the unaudited pro forma financial information in respect of Blackstar is the responsibility of the Blackstar directors. This unaudited pro forma financial information is provided for illustrative purposes only in order to provide information about how the Scheme may have affected NBC Shareholders. Due to the nature of unaudited pro forma financial information, it may not be a true reflection of the actual impact of the Scheme.
- 3.3. For the purposes of earnings and headline earnings per share, it was assumed that the Scheme became operative on 1 January 2012 and for the purposes of net asset value and net tangible asset value per share it was assumed that the Scheme became operative on 30 June 2012. The unaudited pro forma financial effects are presented in a manner consistent with the basis on which the historical financial information of Blackstar has been prepared and in terms of Blackstar's accounting policies.
- 3.4. The pro forma financial effects on NBC Shareholders have been calculated in respect of 100 (one hundred) NBC shares held before implementation of the Scheme and 1.12000 Blackstar shares held after implementation of the Scheme.

|                                  | <b>NBC shares before the Scheme</b> | <b>Blackstar shares after the Scheme</b> | <b>Change %</b> |
|----------------------------------|-------------------------------------|--|-----------------|
| <b>Notes and assumptions</b>     | a)                                  | b)                                       |                 |
| <b>Number of ordinary shares</b> | <b>100</b>                          | <b>1.12000</b>                           |                 |

|   |       |       |       |
|---|-------|-------|-------|
| <b>(Losses)/Earnings for number of ordinary shares reflected above (cents)</b>        |       |       |       |
| Basic and diluted (losses)/earnings   | (34)  | 373   | 1,197 |
| Basic and diluted headline (losses)/earnings  | (583) | 470   | 181   |
| <b>Net asset value for number of ordinary shares reflected above (cents)</b>          | 1,548 | 1,981 | 28    |
| <b>Net tangible asset value for number of ordinary shares reflected above (cents)</b> | 1,548 | 1,875 | 21    |

#### Notes and assumptions:

- a) The financial information in the “NBC Shares before the Scheme” column is based on financial information extracted, without adjustment, from NBC’s published interim unaudited results for the six months ended 31 December 2012.
- b) The financial information in the “Blackstar Shares after the Scheme” column is based on financial information extracted from Blackstar’s interim unaudited results for the six months ended 30 June 2012, adjusted for the following:
  - i. share-buy backs which took place in February 2013. A total of 5.9 million shares were bought back at a cost of £4,670,000. The shares are held by Blackstar as treasury shares. This adjustment will have a continuing effect on Blackstar’s financial results;
  - ii. the disposal of Blackstar’s services derivative investment in October 2012 for cash proceeds of £9,727,000. The investment had a carrying value of £8,519,000 at 30 June 2012 and thus a profit of £1,208,000 has been recognised. Linked to this investment was a loan receivable with a carrying value of £1,294,000 as at 30 June 2012. This loan was also settled in cash on disposal of the services derivative investment. This adjustment will not have a continuing effect on Blackstar’s financial result;
  - iii. the receipt of a capital distribution as a result of NBC unbundling TMG shares to shareholders. Through its 28.3% shareholding in NBC, Blackstar received 14,692,305 ordinary shares in Times Media Group Limited (“TMG”) with a fair value of £15,757,000 calculated based on the prevailing TMG share price and exchange rate on the date of distribution being 25 September 2012. This adjustment will not have a continuing effect on Blackstar’s financial result;
  - iv. the disposal of Blackstar’s shareholding in NBC (amounting to 28.3% of the issued ordinary share capital of NBC) in November 2012. Cash proceeds of £23,639,000 (calculated based on actual proceeds of R332,682,000 translated at the prevailing exchange rate of date of receipt). The investment in NBC (included in investments at fair value through profit and loss) had a carrying value of £38,983,000 as at 30 June 2012 and the resulting loss on disposal of £15,344,000 is recognised. This adjustment will not have a continuing effect on Blackstar’s financial result; and
  - v. effects of the Scheme, which includes, inter alia, once-off transaction costs of R1,330,000 which have been set-off against share premium, acquiring 100% interest in NBC and the issuing of a total of 5,831,934 Blackstar shares (currently held by Blackstar as treasury shares) in settlement of the Scheme Consideration (this adjustment will have a continuing effect on Blackstar’s financial results).
- c) 520,708,365 NBC shares were in issue before the implementation of the Scheme and 82,020,356 Blackstar shares will be in issue (net of 68,066 treasury shares) after the implementation of the Scheme.

#### 4. AMENDMENT TO SCHEME CONDITIONS

- 4.1. The following Scheme condition precedent, as detailed in paragraph 6.1.1 of the Firm Intention Announcement and repeated below for ease of reference, is for the reasons stated below no longer applicable –

*“the passing of all resolutions required to implement the Scheme by the requisite majority of Blackstar Shareholders, which resolutions will include, inter alia, the increase of Blackstar’s authorised share capital and the authority to issue the Scheme Consideration by Blackstar”.*

- 4.2. Blackstar has, subsequent to the issue of the Firm Intention Announcement, advised NBC in writing that it has sufficient ordinary shares in its capital to issue in favour of scheme participants as Scheme Consideration, and that it does not require any authority from the Blackstar ordinary shareholders to issue the Scheme Consideration. Accordingly, the Scheme condition precedent that Blackstar receives authority from Blackstar ordinary shareholders in order to increase its share capital and/or issue the Scheme Consideration has become unnecessary.
- 4.3. As stated in paragraph 6.2 of the Firm Intention Announcement this Scheme condition precedent cannot be waived.
- 4.4. Blackstar and NBC have accordingly agreed to dispense with this Scheme condition precedent.

## **5. FURTHER DOCUMENTATION AND SALIENT DATES**

Further details of the Scheme will be included in a scheme circular, which is expected to be posted to New Bond Capital Shareholders on or about 29 March 2013. The salient dates in relation to the Scheme will be announced at the time of the issuing of the aforementioned scheme circular.

## **6. NBC INDEPENDENT BOARD RESPONSIBILITY STATEMENT**

The NBC independent board of directors accepts responsibility for the information contained in this announcement which relates to NBC and confirms that, to the best of its knowledge and belief, such information which relates to NBC is true and the announcement does not omit anything likely to affect the importance of such information.

## **7. BLACKSTAR RESPONSIBILITY STATEMENT**

The board of directors of Blackstar accepts responsibility for the information contained in this announcement which relates to Blackstar and confirms that, to the best of its knowledge and belief, such information which relates to Blackstar is true and the announcement does not omit anything likely to affect the importance of such information.

Johannesburg & London

15 March 2013

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