

Blackstar Group SE
("Blackstar" or "the Company" or "the Group")

Half Year results for the six months ended 30 June 2012

Highlights

- Acquisition of 28% in Mvelaphanda Group Limited for R470.0 million (£37.4 million);
- Disposal of half of Blackstar's investment in Litha Healthcare Group Limited for R200.6 million (£15.7 million), generating a return of 4.6 times money in South African Rand and 5.1 times money in Pounds Sterling;
- Significant progress in unlocking value in Mvelaphanda Group Limited;
- Completion of the migration to Malta;
- Blackstar now well positioned to pursue new opportunities.

Overview

The interim period under review has been a busy and successful period for Blackstar and encompassed the acquisition of a significant stake in Mvelaphanda Group Limited ("MVG"), the completion of the disposal of half of Blackstar's stake in Litha Healthcare Group Limited ("Litha") and the completion of the migration to Malta.

The six month period under review saw a remarkable shift in our business as the MVG and Litha transactions changed the balance of our investment portfolio. I am confident the portfolio now represents a solid and attractive platform for future growth, which I believe is reflected in the fact that new long term shareholders (mainly South African based) have bought into Blackstar.

A significant part of the first six months of the year was spent unlocking value in MVG, one of Blackstar's largest investments to date, and considerable progress has been made in this regard. The MVG Board appointed Blackstar to manage the administration of MVG and implement its strategy of unlocking value for the benefit of shareholders. To this end Blackstar plays a management role within MVG. Blackstar structured and arranged MVG's offer to acquire the entire issued ordinary share capital of Avusa Limited ("Avusa") that it did not already beneficially own. Post completion of this transaction, which is expected on 25 September 2012, Blackstar will play an active role in the turnaround of Avusa and will hold approximately 11% of the equity. Avusa will be renamed Times Media Group Limited ("TMG") and will offer investors a leveraged return.

Following the disposal of Litha, Blackstar was able to reduce its debt facility from Investec Bank Limited ("Investec") from R320.0 million (£25.9 million) to R 140.5 million (£11.0 million) in July 2012.

Investment and Market Review

MVG

In January 2012, Blackstar acquired 28% of MVG (representing 38.8% of the current gross intrinsic asset value) for a total cash consideration of R470.0 million (£37.4 million), equivalent to R3.20 per MVG share, and has become the largest single investor in MVG.

To fund this acquisition, Blackstar used R150.0 million (£12.0 million) of its own cash resources and R320.0 million (£25.9 million) from a debt facility provided by Investec for the purpose of this transaction.

Andrew Bonamour and William Marshall-Smith were appointed to the MVG Board and assumed the roles of Interim Chief Executive Officer and Interim Financial Director respectively with a view of unbundling and further realising the value of MVG's remaining investment portfolio in the most efficient manner.

Since Blackstar's involvement, MVG has disposed of its remaining investments in Life Healthcare Group Limited and Mvelaserve Limited for a total cash consideration of R421.8 million (£32.9 million).

MVG also announced its offer to acquire, through its wholly owned subsidiary Times Media Group Limited ("TMG", previously Richtrau No 229 (Pty) Limited), the entire issued ordinary share capital of Avusa that it did not already beneficially own, as well as its intention thereafter to unbundle all its shares in TMG to its shareholders. At the general meeting of Avusa shareholders, the ordinary and special resolutions were successfully passed to approve the offer. All conditions of the transaction have been fulfilled and the transaction becomes operative on 25 September 2012.

Post the conclusion of the transaction and the unbundling of TMG, Blackstar will have direct exposure to Avusa through TMG and will hold approximately 11% of TMG directly. Blackstar representatives will be appointed to the TMG board, and as promoter, Blackstar has agreed to be locked in for a minimum of three years and will play an executive role in TMG. This transaction provides Blackstar with the unique opportunity to be invested in one of South Africa's leading media entertainment companies and to partner with a new CEO and a strong management team in pursuing an encouraging growth strategy.

The remaining focus in MVG is the disposal of its investment in Absa Group Limited, which represents 61% of MVG's intrinsic net asset value, as well as its stake in Group Five Limited. The realisation of these investments are currently in advanced stages.

MVG has convened a general meeting in October 2012 to obtain shareholder approval to change its name to New Bond Capital Limited. This will avoid any confusion with other companies who are independent of MVG but also incorporate the name Mvela.

Litha

Blackstar completed the disposal of half of its interest in Litha for a cash consideration of R200.6 million (£15.7 million) generating 4.6 times return on investment in South African Rand and 5.1 times return in Pounds Sterling, which equates to a 32% IRR and 35% IRR respectively over the 5 year holding period.

The disposal proceeds were applied against the Investec debt facility that was taken out in January 2012. Blackstar now holds 13.4% of Litha (representing 21.9% of Blackstar's current gross intrinsic asset value).

Litha's acquisition of Pharmaplan (Pty) Limited ("Pharmaplan") was concluded during the current reporting period and is effective 1 July 2012. Subsequent to this transaction, Litha now has appropriate scale in all three of its divisions, namely pharmaceuticals, vaccines and medical devices. I believe the Pharmaplan

acquisition will be a company changing event for Litha. We are excited about the prospects for Litha and we hope to play an active role in assisting management in achieving their goals.

Profitability for the six months ended 30 June 2012 has been reduced as a result of a delayed government tender in the medical devices division as well as transaction costs relating to the Pharmaplan acquisition. Despite this, the pharmaceutical and vaccine divisions have performed well and Litha has produced a good set of results. Litha's share price has increased from R2.85 at 31 December 2011 to R3.50 at 30 June 2012.

Steel Investments

Following the successful restructuring of its steel interests (representing 19.9% of Blackstar's current gross intrinsic asset value), Global Roofing Solutions (Pty) Limited ("GRS"), the largest steel roofing and cladding company in South Africa, is performing well and in line with budget.

During the current reporting period, Blackstar brought in an equity partner into Stalcor (Pty) Limited ("Stalcor") who injected R5 million into the business. At the same time ordinary shares of Stalcor were allocated to the equity partner, as well as to management and a customer loyalty trust, bringing Blackstar's equity holding down to 50.1%. As the capital providers to Stalcor, Blackstar and its equity partner will be entitled to 18% of retained income (sharing in a ratio of 90:10 in favour of Blackstar) prior to ordinary shareholders receiving any equity benefits. Blackstar believes that this re-aligned structure will be beneficial to the turnaround and success of Stalcor in the future.

Stalcor and Robor (Pty) Limited continue to be negatively affected by the weak steel market and general trading conditions. These investments are however well managed and management continues to tightly monitor stock levels and cash flows as well as investigating strategic initiatives for the businesses. Both of these companies should hopefully benefit from the South African Government's proposed infrastructure spend.

Other

The remainder of the portfolio fared well in the first half of 2012. The most significant of these being the services derivative investment (representing 11.4% of the current gross intrinsic asset value), has performed particularly well increasing in value by R13.8 million to R125.9 million (£9.8 million) at 30 June 2012. This investment is expected to be realised by the end of October 2012 and the proceeds will be applied against the Investec debt facility.

Blackstar continues to work with Shoprite Holdings Limited ("Shoprite") in order to resolve the shareholder element of the dispute that exists between Shoprite and its transfer secretary in Zambia in respect of the shares that Blackstar holds in Shoprite's secondary listing in Lusaka, Zambia. Blackstar hopes to resolve this matter in the coming months.

During the interim period under review Blackstar completed the acquisition, through Blackstar Real Estate (Pty) Limited, of a commercial property in Midrand, Gauteng, South Africa. The property is now occupied by Litha under a 12 year lease. The Group continues to explore property opportunities in the South African real estate sector, where rental obligations can be reasonably assessed and understood and the resultant returns on equity can be enhanced by leverage.

Financial Review

The income statement separately reports profit generated by continuing and discontinued operations. Discontinued operations include the following: the results of the associate Litha until June 2012, being the date on which Blackstar disposed of half of its Litha shares and it ceased to be treated as an associate; the results of Stalcor's Baldwins division (which was sold to Robor), and two of Stalcor's branches (which were

closed); and the results of Ferro Industrial Products (Pty) Limited (“Ferro”) which was disposed of effective June 2011. Comparatives have been restated to separately disclose these discontinued operations.

The operating profit before net investments of £0.4 million for the six months ended 30 June 2012 therefore comprises the results of the remaining trading businesses, GRS and Stalcor, as well as the share of profits of the remaining associates (excluding Litha). The trading businesses have successfully managed to decrease administrative and sales and distribution costs by £2.2 million when compared to the same comparative period ending 30 June 2011. In addition to this, no impairments arose on the goodwill and intangible assets and as a result the operating profit has increased by £1.1 million when compared to the comparative reporting period.

Net gains on investments amounted to £12.5 million for the current reporting period. This mainly includes unrealised fair value gains recognised on the investment in MVG of £2.2 million, £1.0 million on the fair valuing of the services derivative investment and a £9.2 million gain recognised when the remaining investment in Litha was transferred from the investment in associate category to investments at fair value through profit and loss and fair valued to its closing share price at 30 June 2012.

Fee income generated from investments of £0.7 million covers operating costs of £1.0 million, thus resulting in net corporate office running costs of £0.3 million.

The profit after tax from continuing operations for the six months ended 30 June 2012 amounted to £10.7 million.

A profit of £8.0 million was generated by discontinued operations and comprises equity accounted earnings of Litha amounting £5.5 million to date of disposal of 50% of the Litha investment, and a net gain of £2.5 million recognised on disposal of the investment.

The Group reported a profit attributable to equity holders of the parent of £18.8 million, and basic and diluted earnings of 22.0 pence per share and headline earnings of 14.1 pence per share.

Total equity attributable to equity holders has increased by £35.1 million from £67.5 million at 31 December 2011 to £102.6 million at 30 June 2012. This is mainly as a result of an increase in retained earnings of £31.9 million which includes £15.4 million recognised on disposal of 50% of Stalcor to non controlling shareholders and £18.8 million profit attributable to equity holders of the parent.

Investments at fair value through profit and loss increased from £14.1 million to £73.4 million and mainly comprises Blackstar’s remaining interest in Litha at a fair value of £19.9 million, £8.5 million services derivative investment and the investment in MVG of £39.0 million. Blackstar’s 28% interest in MVG provides the Group with significant influence, however the investment has not been equity accounted as an associate but rather included in investments at fair value through profit and loss, as it is held as part of the Group’s investment portfolio at fair value.

Investments in associates declined by £16.3 million during the current reporting period as a result of the part disposal of Litha and the remaining interest being transferred to investments at fair value through profit and loss.

Borrowings and other financial liabilities amounted to £41.7 million compared to £14.8 million at 31 December 2011 and includes borrowings of £26.5 million at 30 June 2012 which was raised to finance the acquisition of the interest in MVG.

In June 2011, Ferro was presented as a disposal group held for sale and its assets and liabilities were therefore separately disclosed on the face of the balance sheet. Ferro was sold effective July 2011.

Cash and cash equivalents declined by £16.0 million during the current reporting period. Significant cash flow movements during the period included a cash outflow of £39.7 million on additions to investments less inflows of £26.6 million on debt raised to finance the investment in MVG.

Dividends

As the Company is currently working towards reducing its debt facility with Investec, the Board has resolved not to declare a dividend.

Migration to Malta

In May 2012, the Company completed the transfer of its registered office from the United Kingdom to Malta and its tax residency from Luxembourg to Malta.

The move to Malta is starting to deliver improved efficiencies and will significantly reduce the administrative and legal costs which arise from being present in two jurisdictions.

Post Balance Sheet Events

The unbundling of MVG's investment in TMG to its shareholders will be concluded in September 2012 and will result in Blackstar holding a direct stake in TMG (previously the Avusa business) thereby providing the Group with direct exposure to one of South Africa's leading media entertainment companies.

There were no other post balance sheet events to report.

Current Trading and Outlook

The first half of 2012 has been successful for Blackstar. The Group will continue to focus its attention on unlocking further value from its current portfolio of investments. Blackstar is now well positioned to pursue a range of interesting, new, net asset value ("NAV") enhancing opportunities.

More than 50% of Blackstar's shareholders are now South African based and the JSE listing is beginning to reflect the desired benefits we envisaged when we embarked on the secondary listing in August 2011. Blackstar's South African share continued to trade above its listing price subsequent to the declaration of a special dividend in November 2011, which is indicative of the confidence that investors have in the Blackstar Group to provide consistent returns. Going forward, Blackstar will publish its results in both Pounds Sterling and South African Rands. Blackstar is currently trading in line with its peer group in South Africa and the Board is confident that the current investments offer investors a solid platform for growth and further opportunities.

I recommend that shareholders refer to Annexure A, which provides a breakdown of Blackstar's most recent intrinsic NAV as at 31 August 2012. I believe this is a useful tool in identifying the true inherent value of each investment held.

Andrew Bonamour

Malta

14 September 2012

Annexure A

Intrinsic NAV as at 31 August 2012

	Unaudited £'000	Unaudited R'000
Mvelaphanda Group Limited	36,012	479,476
Litha Healthcare Group Limited	20,338	270,789
Global Roofing Solutions (Pty) Limited	11,642	155,000
Services derivative	10,605	141,198
Robor (Pty) Limited	3,830	51,000
Stalcor (Pty) Limited	3,004	40,000
Blackstar Real Estate (Pty) Limited	2,067	27,525
Other listed	1,980	26,359
Other unlisted	549	7,314
Net debt	(7,900)	(105,189)
Intrinsic NAV	82,127	1,093,472

Intrinsic NAV per share (in Sterling/Rands)	1.00	13.32
Ordinary share price on 31 August 2012 (in Sterling/Rands)	0.725	9.80
Ordinary share price discount to NAV	28%	26%
See through NAV per share (in Sterling/Rands)	1.05	13.97

Notes:

- 1 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.
- 2 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.
- 3 The investment in Blackstar Real Estate (Pty) Limited is carried at cost, being the capital invested plus accrued interest, where applicable.
- 4 The Group's investment in Mvelaphanda Group Limited trades at a discount to its NAV. The see through NAV has been presented, which is the NAV as reported above, adjusted for the estimated discount.
- 5 All amounts have been translated using the closing exchange rates at 31 August 2012.
- 6 Net debt represents debt less cash at the centre, excluding subsidiaries and comprises Investec debt less cash resources.
- 7 Other listed mainly comprises the investment in Shoprite Holdings Limited.
- 8 Other unlisted mainly comprises the investment in Navigare Securities (Pty) Limited.

Consolidated income statement

for the six months ended 30 June 2012

	Unaudited Six months to 30 June 2012 £'000	As restated* Unaudited Six months to 30 June 2011 £'000	As restated* Unaudited Year to 31 December 2011 £'000
Continuing operations			
Revenue	39,441	49,303	91,058
Cost of sales	(33,974)	(42,450)	(78,887)
Gross profit	5,467	6,853	12,171
Sales and distribution costs	(769)	(1,226)	(1,551)
Administrative expenses – Trading businesses			
Administrative expenses	(4,619)	(6,401)	(9,885)
Impairment of goodwill	-	(768)	(1,945)
Impairment of intangible assets	-	(286)	(861)
	(4,619)	(7,455)	(12,691)
Other income – Trading businesses	299	356	497
Share of profits of associates	16	6	43
Operating profit/(loss) before net investment income/(loss)	394	(1,466)	(1,531)
Net investment income/(loss)			
Net gains/(losses) on investments	12,475	(1,573)	632
Fees, dividends and interest from loans, receivables and investments	1,011	481	866
	13,486	(1,092)	1,498
Administrative expenses - Investments			
Administrative expenses - Other investment activities	(1,021)	(1,819)	(3,288)
Administrative expenses - Property investments	(173)	-	-
Exceptional costs – Other investment activities	(207)	-	(2,374)
Foreign exchange losses	(4)	(81)	(1,316)
Impairment of goodwill	-	-	(9,437)
	(1,405)	(1,900)	(16,415)
Other income - Property investments	311	-	454
Profit/(loss) from operations	12,786	(4,458)	(15,994)
Finance income	129	63	191
Finance costs	(1,970)	(780)	(1,732)
Profit/(loss) before taxation	10,945	(5,175)	(17,535)
Taxation	(208)	(133)	(421)
Profit/(loss) from continuing operations	10,737	(5,308)	(17,956)

Discontinued operations

Profit from discontinued operations net of taxation	7,963	6,695	10,739
Profit/(loss) for the period	18,700	1,387	(7,217)
Profit/(loss) for the period attributable to:			
Equity holders of the parent	18,760	950	(7,584)
Non controlling interests	(60)	437	367
	18,700	1,387	(7,217)
Basic and diluted earnings/(losses) per ordinary share attributable to equity holders (in pence)			
	22.00	1.27	(9.62)
Basic and diluted earnings/(losses) per ordinary share attributable to equity holders from continuing operations (in pence)			
	12.66	(6.95)	(22.65)

* The comparative information for the six months to 30 June 2011 and the year to 31 December 2011 was restated to present income generated and expenses incurred by discontinued operations separately from continuing operations.

Headline earnings reconciliation ^

	Six months to 30 June 2012 £'000	Six months to 30 June 2011 £'000	Year to 30 December 2011 £'000
Profit/(loss) for the period attributable to equity holders of the parent	18,760	950	(7,584)
Adjusted for:			
Exceptional gain on dilution of interest in associate	-	(2,188)	(2,188)
Gain on partial disposal of investment in associate	(2,531)	-	-
Gain on disposal of discontinued operations	-	(2,970)	(7,861)
Impairment of intangible assets	-	286	861
Impairment of goodwill	-	768	11,382
Impairment of property, plant and equipment	-	-	202
Non-headline items included in equity accounted earnings of associates	(4,257)	(1)	(248)
Loss/(profit) on disposal of property, plant and equipment	36	18	(91)
Total tax effects of adjustments	(10)	(85)	(272)
Total non controlling interests effects of adjustments	-	31	15
Headline earnings/(losses)	11,998	(3,191)	(5,784)
Basic and diluted headline earnings/(losses) per ordinary share attributable to equity holders (in pence)	14.07	(4.26)	(7.34)

^ Disclosure of headline earnings has been provided in accordance with the JSE Listings Requirements.

Consolidated statement of comprehensive income

for the six months ended 30 June 2012

	Unaudited Six months to 30 June 2012 £'000	Unaudited Six months to 30 June 2011 £'000	Audited Year to 31 December 2011 £'000
Profit/(loss) for the period	18,700	1,387	(7,217)
Other comprehensive income/(loss):			
Currency translation differences on investments and Rand denominated assets and liabilities	(1,231)	(2,132)	(3,966)
Currency translation differences on translation of foreign subsidiaries and associates	(222)	(531)	(5,109)
Release of foreign currency translation reserve on disposal of associate/subsidiary	2,407	-	(1,261)
Net comprehensive income/(loss) recognised directly in equity	954	(2,663)	(10,336)
Total comprehensive income/(loss) for the period	19,654	(1,276)	(17,553)
Attributable to:			
Equity holders of the parent	19,714	(1,885)	(18,095)
Non controlling interests	(60)	609	542
	19,654	(1,276)	(17,553)

Consolidated statement of changes in equity

for the six months ended 30 June 2012

	Share capital	Share premium	Capital redemption reserve	Treasury shares reserve	Retained earnings	Foreign currency translation reserve	Attributable to equity holders	Non controlling interests	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 31 December 2010	50,130	-	2,893	-	22,569	14,604	90,196	(2,474)	87,722
Total comprehensive income/(loss) for the period									
Profit for the period	-	-	-	-	950	-	950	437	1,387
Other comprehensive income/(loss) for the period	-	-	-	-	-	(2,835)	(2,835)	172	(2,663)
	-	-	-	-	950	(2,835)	(1,885)	609	(1,276)
Release of foreign currency translation reserve on disposal of investments	-	-	-	-	58	(58)	-	-	-
Reduction in non controlling interests arising on subsidiaries buy-back of shares from non controlling shareholders	-	-	-	-	(4,577)	-	(4,577)	4,577	-
Final dividend paid	-	-	-	-	(673)	-	(673)	-	(673)
Balance as at 30 June 2011	50,130	-	2,893	-	18,327	11,711	83,061	2,712	85,773

Total comprehensive loss for the period

Loss for the period	-	-	-	-	(8,534)	-	(8,534)	(70)	(8,604)
Other comprehensive (loss)/income for the period	-	-	-	-	-	(7,676)	(7,676)	3	(7,673)
	-	-	-	-	(8,534)	(7,676)	(16,210)	(67)	(16,277)
Capital raising	6,923	1,974	-	-	-	-	8,897	-	8,897
Buy-back of ordinary shares	-	-	-	(2,272)	-	-	(2,272)	-	(2,272)
Arising on reclassification of investment, now a subsidiary	-	-	-	-	-	-	-	6	6
Reduction in non controlling interests arising on acquisition of additional interests in subsidiary	-	-	-	-	(415)	-	(415)	415	-
Arising on disposal of subsidiary	-	-	-	-	-	-	-	(3,126)	(3,126)
Release of foreign currency translation reserve on disposal of investments	-	-	-	-	757	(757)	-	-	-
Dividend paid	-	-	-	-	(5,544)	-	(5,544)	-	(5,544)
Balance as at 31 December 2011	57,053	1,974	2,893	(2,272)	4,591	3,278	67,517	(60)	67,457

Total comprehensive income/(loss) for the period									
Profit/(loss) for the period	-	-	-	-	18,760	-	18,760	(60)	18,700
Other comprehensive income for the period	-	-	-	-	-	954	954	-	954
	-	-	-	-	18,760	954	19,714	(60)	19,654
Treasury shares cancelled	(2,144)	-	2,144	2,272	(2,272)	-	-	-	-
Reduction in non controlling interests arising on rights issue by subsidiary	-	-	-	-	(25)	-	(25)	25	-
Increase in non controlling interests arising on part disposal of subsidiary	-	-	-	-	15,433	-	15,433	(15,433)	-
Balance as at 30 June 2012	54,909	1,974	5,037	-	36,487	4,232	102,639	(15,528)	87,111

A final dividend of 0.90 pence per ordinary share was declared on 6 May 2011.

A special dividend of 6.5 pence per ordinary share was declared on 11 November 2011.

Consolidated balance sheet

as at 30 June 2012

	Unaudited 30 June 2012 £'000	Unaudited 30 June 2011 £'000	Audited 31 December 2011 £'000
Non-current assets			
Property, plant and equipment	6,817	9,684	7,563
Investment properties	6,864	-	7,018
Goodwill	2,863	13,829	2,884
Intangible assets	2,783	4,128	2,947
Investments in associates	123	17,422	16,437
Investments classified as loans and receivables	136	448	144
Investments at fair value through profit and loss	64,225	8,997	3,687
Other financial assets	-	16	-
Deferred tax assets	114	108	92
	83,925	54,632	40,772
Current assets			
Investments classified as loans and receivables	1,294	2,614	2,042
Investments at fair value through profit and loss	9,146	7,868	10,398
Other financial assets	-	-	2
Current tax assets	92	28	24
Trade and other receivables	30,437	22,836	11,540
Inventories	12,640	19,699	10,042
Cash and cash equivalents	4,285	10,844	20,334
	57,894	63,889	54,382
Assets in disposal group classified as held for sale	-	31,372	-
	57,894	95,261	54,382
Total assets	141,819	149,893	95,154
Non-current liabilities			
Borrowings	(6,976)	(2,038)	(7,077)
Other financial liabilities	(539)	(1,488)	(785)
Provisions	(132)	(171)	(199)
Deferred tax liabilities	(1,383)	(1,935)	(1,499)
	(9,030)	(5,632)	(9,560)
Current liabilities			
Borrowings	(26,765)	(61)	(602)
Other financial liabilities	(7,403)	(8,268)	(6,308)
Provisions	-	(11)	(93)
Current tax liabilities	(138)	(108)	(85)
Trade and other payables	(11,372)	(30,010)	(11,044)
Bank overdrafts	-	(2,614)	(5)
	(45,678)	(41,072)	(18,137)

Liabilities directly associated with assets in disposal group classified as held for sale	-	(17,416)	-
	(45,678)	(58,488)	(18,137)
Total liabilities	(54,708)	(64,120)	(27,697)
Total net assets	87,111	85,773	67,457
Equity			
Share capital	54,909	50,130	57,053
Share premium	1,974	-	1,974
Capital redemption reserve	5,037	2,893	2,893
Treasury shares reserve	-	-	(2,272)
Foreign currency translation reserve	4,232	11,711	3,278
Retained earnings	36,487	18,327	4,591
Total equity attributable to equity holders	102,639	83,061	67,517
Non controlling interests	(15,528)	2,712	(60)
Total equity	87,111	85,773	67,457
Net asset value per share (in pence)	120	111	79

Consolidated cash flow statement

for the six months ended 30 June 2012

	Unaudited Six months to 30 June 2012	Unaudited Six months to 30 June 2011 £'000	Audited Year to 31 December 2011 £'000
Cash flow from operating activities			
Cash (utilised)/generated by operations	(5,351)	4,127	2,013
Interest received	129	180	310
Interest paid	(270)	(1,845)	(1,627)
Dividends received	230	-	230
Taxation paid	(331)	(983)	(1,431)
Cash (absorbed)/generated by operating activities	(5,593)	1,479	(505)
Cash flow from investing activities			
Purchase of property, plant and equipment	(132)	(917)	(1,164)
Purchase of investment property	-	-	(5,018)
Additions to investments classified as loans and receivables	(640)	(1,653)	(1,883)
Purchase of investments at fair value through profit and loss	(39,045)	(2,914)	(2,965)
Acquisition of subsidiaries, net of cash acquired	-	-	2
Proceeds from disposal of property, plant and equipment	14	8	446
Proceeds from disposal of investments	2,828	1,182	3,080
Disposal of discontinued operations, net of cash disposed	-	12,168	23,006
Cash (absorbed)/generated by investing activities	(36,975)	7,874	15,504
Cash flow from financing activities			
Proceeds from borrowings	26,520	-	4,728
Repayment of borrowings	(861)	(795)	(2,181)
Movement in other financial liabilities (including short-term funding facilities)	909	(15,707)	(16,804)
Buy-back of ordinary shares	-	-	(2,272)
Capital raising	-	-	8,897
Dividends paid to equity holders of the parent	-	(673)	(6,217)
Cash generated/(absorbed) by financing activities	26,568	(17,175)	(13,849)
Net (decrease)/increase in cash and cash equivalents	(16,000)	(7,822)	1,150
Cash and cash equivalents at the beginning of the period	20,329	19,195	19,195
Exchange losses on cash and cash equivalents	(44)	(16)	(16)
Cash and cash equivalents at the end of the period	4,285	11,357	20,329

For further information, please contact:

Blackstar Group SE	Bryan Moyer / Lesley Micallef	+ 356 2144 6377
Liberum Capital Limited	Chris Bowman / Christopher Britton	+ 44 (0) 20 3100 2222
PSG Capital (Pty) Limited	David Tosi / Willie Honeyball	+ 27 (0) 21 887 9602