

Blackstar Group SE (“Blackstar” or the “Company”)

BLCK LN and BCK SJ

BLACKSTAR NET ASSET VALUE (“NAV”) UPDATE**INTRINSIC NAV AS AT 30 SEPTEMBER 2012**

	GBP	ZAR	GBP	ZAR
	30-Sep-12	30-Sep-12	31-Aug-12	31-Aug-12
NAV per share	1.03	13.82	1.00	13.32
Ordinary share price	0.74	10.19	0.725	9.80
Ordinary share price discount to NAV	28%	26%	28%	26%
See through NAV per share	1.05	14.01	1.05	13.97
Total net assets	84.7m	1,134.2m	82.1m	1,093.5m
Market capitalisation	60.7m	836.5m	59.5m	804.5m

Notes

- 1 All information is unaudited.
- 2 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.
- 3 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.
- 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 the end of the relevant period.

Portfolio Summary

Blackstar's NAV at 30 September 2012 comprised investments in the following sectors:

Sector	GBP Millions	ZAR Millions	% of Gross Assets
Investment Holdings	22.6	301.9	25.2%
Health Care	21.5	288.3	24.1%
Industrials	18.4	246.0	20.7%
Media	14.9	199.8	16.7%
Services	7.6	101.2	8.5%
Other	4.3	58.1	4.8%
	89.3	1,195.3	100.0%
Net debt	(4.6)	(61.1)	
	84.7	1,134.2	

Portfolio Performance and outlook

Since 31 August 2012, the intrinsic NAV per share increased by 3.7% in South African Rand and by 3.1% in Pound Sterling, mainly due to increases in the share price of Litha Healthcare Group Limited and Mvelaphanda Group Limited ("MVG") together with Times Media Group Limited ("TMG"), post the unbundling of MVG's shares in TMG to its shareholders.

The acquisition by TMG of the entire issued ordinary share capital of Avusa Limited, through a scheme of arrangement became operative on 25 September 2012. MVG unbundled its shares in TMG to its shareholders and consequently Blackstar now holds 11.6% of TMG directly.

Blackstar is in the process of completing the disposal of its services derivative investment. The disposal proceeds will be applied against the Investec Bank Limited debt facility and any proceeds realised to date have been set off against the outstanding debt balance to arrive at the net debt amount in the table above.

The investment portfolio continues to perform in line with expectations

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