

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

Investing Policy

The investment objective of the Company is to generate shareholder returns through investing in a portfolio of industrial businesses in South Africa with the underlying themes of strategic market position, strong cash flows and the ability to exploit the wider African markets from its South African base. The Company may invest in the form of either equity or debt and may acquire directly or indirectly controlling or minority holdings in investee companies.

Acquired businesses will be run on a decentralised manner with local management maintaining an entrepreneurial focus and being responsible for their own operations. The Company will seek to be actively involved in setting the strategy of the investee companies and act as an allocator of capital and resources but will not take day to day responsibility for the management of investee companies. Over a period of time Blackstar intends to dispose of its existing minority investments where we have little management input or influence.

Blackstar is a long term investor and the Board places no limit on the length of time that any portfolio investment may be held. The Board will consider, on a case by case basis, the optimum exit strategy for each portfolio investment.

The Company expects to only hold a small number of portfolio investments at any one time. However, there is no minimum or maximum number of investments that the Company can hold at any one time, nor are there any maximum exposure limits per portfolio investment.

Blackstar finances its portfolio investments out of its own cash resources and utilises third party debt funding as appropriate. In addition, investee companies may themselves have gearing. There is no maximum gearing level for either the Company or on a Group basis. However the Directors will review the level of gearing in the Group on a regular basis.

Save as set out above, Blackstar does not have any investment restrictions.

Blackstar Group PLC	John Kleynhans	+352 402 505 427
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Collins Stewart Europe Limited	Hugh Field Tom Hulme	+44 20 7523 8350
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