

Blackstar Group Plc
("Blackstar")

Portfolio Company Update –Myriad Medical Holdings Limited

Introduction

Blackstar currently owns a 19.48% shareholding in Myriad and, as previously announced, will acquire control of 30.98% shareholding in Myriad owned by Vermogen Medical (Pty) Ltd ("Vermogen"), Myriad's black economic empowerment partner, by no later than 17 January 2010. With Vermogen's shareholding, Blackstar will then control 49.29% of Myriad.

Update on Mandatory Offer for Myriad

Further to the announcement of 19 November 2009, the mandatory offer for Myriad Medical Holdings Limited ("Myriad") by Blackstar will terminate on 18 January 2010. As a result of the irrevocable undertakings received by Blackstar, the maximum consideration payable by Blackstar under the terms of the offer will be R26 million (equivalent to £2.1 million) in cash (which Blackstar will fund out of its own resources) and Blackstar anticipates that its maximum holding in Myriad would be approximately 69% of the shares then in issue.

Acquisition by Myriad of Litha

Myriad has today entered into a conditional agreement to acquire a 51% holding in Litha Healthcare Holdings [Limited] ("Litha") for R114.2 million (£9.3 million), of which R80.0 million will be satisfied in cash and the balance by the issue of 42.8 million Myriad shares. As part of the transaction, put and call options have been entered into for the acquisition by Myriad of the remaining shares in Litha.

Formed in 1992, Litha is a diversified South African healthcare group focussing on biotechnology, pharmaceuticals and consumables with an investment arm holding strategic interests in healthcare businesses. The group imports and distributes paediatric and adult vaccines under agency for several major international pharmaceutical companies and is the exclusive supplier of paediatric vaccines to the South African Government through the Litha controlled Biovac Institute (a Public Private Partnership). Litha has strong BEE credentials both at a shareholding and operational perspective.

The transaction diversifies Myriad's healthcare offering into three medical business lines – biotechnology (vaccines), pharmaceuticals and devices – with high barriers to entry in the vaccines, pharmaceuticals and cold chain distribution businesses. Litha's executive team provides Myriad with strong operational and industry experience and the acquisition will significantly increase the scale of the listed Myriad group, providing scope to unlock savings by centralising functions where this is operationally and commercially justifiable.

The acquisition is conditional, inter alia, on Myriad shareholder approval, receipt of requisite regulatory approvals and the implementation by Myriad of an underwritten rights offer. Blackstar has agreed to underwrite Myriad's entire R100 million rights offer (which Blackstar, if required, will fund out of its own resources) to part fund the cash portion of the purchase price.

Profit before taxation of Litha for the twelve months ending in December 2009 is forecast to be R42 million (FY to December 2008: R12 million). Net assets of Litha are approximately R119 million.

Further details on the acquisition by Myriad of Litha may be found on Blackstar's website at www.Blackstar.lu.

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