

Monday, August 3, 2009

The Company Announcements Officer
Australian Stock Exchange
Exchange Plaza
2 The Esplanade
Perth, WA 6000

Re: Mercury Brands Limited

Dear Sirs,

Further to the announcement made by Mercury Brands Limited (ASX:MCB) on Monday, August 3, 2009, Biron Capital Pty Ltd, a subsidiary of Biron Apparel Limited (ASX:BIC) received the final due diligence report on Friday, July 31, 2009 and is conducting a review of the report with it's financiers.

We attach a copy of the announcement made by Mercury Brands Limited.

Yours sincerely

Biron Apparel Limited

ENDS

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3 August 2009

ASX and Media Release

Mercury Brands Does Not Proceed with Australian Horizons Acquisition

Mercury Brands Limited (ASX: MCB) announced on the 26 June 2009 that it had entered a conditional contract with Funtastic (ASX:FUN) to acquire the brand licences and stock of its apparel division, Australian Horizons. The contract was subject to Mercury Brands securing appropriate finance to complete the contract. This condition precedent has not been achieved by the Completion date and both parties have terminated the contract.

On the 6 July 2009 the Board announced an agreement with **Biron Capital Pty Ltd** that is subject to due diligence, to make a placement of 166.67 million shares raising \$2.0m of equity additional to the recently completed rights issue. An Extraordinary General Meeting will now be held in September 2009 to vote on the resolution to approve the placement.

The Board now expects to place an additional \$255,000 to the \$2.0M placement immediately following due diligence using the provisions of the 15% rule, allowing the Company to issue up to 15% of its share capital. The due diligence report was completed by Biron Capital Pty Ltd on Friday 31 July 2009.

Biron Capital and its financiers are still supportive of Mercury Brands' acquisition strategy and will continue to support any management initiatives.

For Further Information:

Phil Thomas
Managing Director
Mercury Brands Ltd
Telephone (03) 86374500
phillipthomas@mercurybrands.com.au

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