BRAIT

2017

INTEGRATED ANNUAL REPORT

FOR THE YEAR ENDED
31 MARCH 2017

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1 Scope and boundary of the Integrated Annual Report

Brait Societas Europaea (Brait SE, the Group, or the Company) is an investment holding company whose shares are listed on the Luxembourg Stock Exchange and also on the Johannesburg Stock Exchange (JSE).

The Board of Directors (Board) is pleased to present the 2017 Integrated Annual Report. The Board acknowledges its responsibility to ensure the integrity of the Integrated Annual Report. In the opinion of the Board the Integrated Annual Report addresses all material issues of which it is aware and presents fairly the integrated performance of the Group and its impact on stakeholders. The Board has therefore approved the 2017 Integrated Annual Report for release to stakeholders.

While the Group's financial statements are prepared using both the Euro and Rand as its presentation currencies, the Board has elected to present the balance of the Integrated Annual Report solely in Rand. The Integrated Annual Report does not cover the activities of the Group's portfolio investments except insofar as is relevant to assessing the Group's investment interests in those entities. For additional portfolio investment information, we refer you to the Brait 2017 Audited Results Presentation Booklet at www.brait.com.

The Group's annual financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the European Union. In addition to relying on representations and information provided, the Board has drawn assurance from the external auditors, Deloitte Audit Limited, in the course of their annual audit of the Group's financial statements and their unmodified audit report.

The use of "Audited" on respective portfolio company information refers to the relevant portfolio company external auditors.

To reduce the Group's impact on the environment as well as cost savings on printing and posting, the Group has distributed to each shareholder an electronic copy of the Integrated Annual Report, which is also available at www.brait.com. Printed copies of the Integrated Annual Report are available to shareholders on request.

FORWARD-LOOKING STATEMENTS

This Integrated Annual Report may contain certain forward-looking statements with respect to the financial condition and results of operations of the Group, which by their nature, involve risk and uncertainty as they relate to events and depend on circumstances that may occur in the future. These forward looking statements have not been reviewed or reported on by the Group's external auditors.

2 Performance against targets

PERFORMANCE METRIC		POSITION AT 31 MARCH 2017
1. NAV CAGR >15% per year over any three year period	✔	• 34.7% CAGR since 31 March 2014 (1) • 35.7% CAGR including bonus shares issued/dividends paid
2. Dividend: 1% – 2.5% of closing NAV (bonus shares or cash dividend alternative) (3)	✔	• FY2017: 1% of R78.15 NAV proposed – FY2016: 1% of R136.27 NAV
3. Operating costs: <0.85% to Brait AUM	✔	• 0.64% of average AUM (2) *(FY2016: 0.62%)* • 0.54% net after fee income (2) *(FY2016: 0.52%)*
4. Minimal cash drag: <25% of NAV	✔	• 8.3% of NAV *(FY2016: 6.2%)*
5. Primarily unlisted investments	✔	• 100% of investment portfolio
6. Demonstrate cash flow within underlying investments	✔	• Strong EBITDA cash flow conversion across portfolio

(1) The six year CAGR for NAV per share from 1 April 2011 to 31 March 2017 is 29.6% (30.4% including dividends)

(2) Percentages quoted are based on operating expenses of R401 million and fee income of R62 million for the year ended 31 March 2017. (FY2016: Operating expense R435 million; fee income R69 million). Brait's average AUM for the year 31 March 2017 is R63 billion (FY2016: R71 billion), representing the Group's average total assets of R59 billion (FY2016: R67 billion) and average Brait IV invested capital under management of R4 billion (FY2016: R4 billion)

(3) The FY2017 bonus award and cash dividend alternative are subject to shareholder approval at the upcoming Annual General Meeting. Shareholders electing the cash dividend alternative will this year have the choice to reinvest the cash dividend (net of any dividend withholding taxes that may apply) as a subscription for new shares. Full details in this regard will be included in a circular and market announcement on or about 30 June 2017

Rolling CAGR: reported NAV

Commencing 1 April 2011(1), Brait's performance benchmark for NAV growth is to exceed 15% CAGR over any three year period

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Reported NAV per ordinary share	R20.59	R26.64	R31.95	R77.12	R136.27	R78.15
Rolling 3-Year CAGR (2)	**24.8%**	**27.1%**	**24.6%**	**55.3%**	**72.3%**	**34.7%**
Adjustment: ordinary share dividend (3)	**–**	**R0.2059**	**R0.4723**	**R0.7918**	**R1.5630**	**R2.9257**
• 1% of March 2012 NAV of R20.59	–	R0.2059	R0.2059	R0.2059	R0.2059	R0.2059
• 1% of March 2013 NAV of R26.64	–	–	R0.2664	R0.2664	R0.2664	R0.2664
• 1% of March 2014 NAV of R31.95	–	–	–	R0.3195	R0.3195	R0.3195
• 1% of March 2015 NAV of R77.12	–	–	–	–	R0.7712	R0.7712
• 1% of March 2016 NAV of R136.27	–	–	–	–	–	R1.3627
Adjusted NAV per ordinary share	**R20.59**	**R26.85**	**R32.42**	**R77.91**	**R137.83**	**R81.08**
Rolling 3-Year CAGR (including dividends) (2)	**24.8%**	**27.6%**	**25.2%**	**55.8%**	**72.6%**	**35.7%**
(1) Reported NAV of R16.50 per ordinary share						
(2) Period for which quoted CAGR calculated	*1-Apr-11 to 31-Mar-12*	*1-Apr-11 to 31-Mar-13*	*1-Apr-11 to 31-Mar-14*	*1-Apr-12 to 31-Mar-15*	*1-Apr-13 to 31-Mar-16*	*1-Apr-14 to 31-Mar-17*
(3) Percentage of ordinary shareholders that elected the receipt of bonus shares for respective year's dividend	*Not applicable*	*85%*	*91%*	*92%*	*94%*	*9%*

Note: The six year CAGR for NAV per share from 1 April 2011 to 31 March 2017 is 29.6%; including dividends is 30.4%

3 Chairman's statement

Brait's reported NAV per share at 31 March 2017 is ZAR78.15. This represents a decrease of 42.6% compared to 31 March 2016's NAV per share of R136.27 and includes the adverse impact of the 20.5% strengthening of the Rand against the Pound Sterling over the year, from ZAR21.21 to ZAR16.87 at 31 March 2017. The three year CAGR for reported NAV per share to 31 March 2017 is 34.7% per annum (benchmark of 15% per annum); including ordinary share dividends it is 35.7%. Expressed in Pound Sterling, on the basis that Brait is most invested in this currency, Brait's NAV per share at 31 March 2017 is GBP4.63 compared to GBP6.43 at 31 March 2016, a decrease of 27.9%. The three-year Pound Sterling CAGR to 31 March 2017 is 36.5%, including ordinary share dividends it is 37.2%.

Some key events for Brait during the year include the following:

- On 3 July 2016, Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (MAR) came into effect. Brait, by virtue of its listing on the Luxembourg Stock Exchange, became subject to the provisions of MAR on the same date. In accordance with MAR, Brait announced the parameters and details of its ordinary share buyback programme in August 2016.
- In September 2016, the Board announced its proposal to transfer the Company's registered office from Malta to the United Kingdom ("UK"). The requisite resolutions were approved by shareholders at the EGM on 22 November 2016. The Maltese Registry of Companies issued a transfer certificate on 23 March 2017. Thereafter the Board confirmed that while it remains convinced on the long-term benefits to the Company of a transfer to the UK and a premium listing on the London Stock Exchange, the Board has determined not to proceed with the transfer and premium listing at this time.
- During December 2016, the Group concluded its increased committed revolving facility of ZAR8.5 billion, which has a maturity of 6 December 2020. As with the previous facility, the lending banks were FirstRand Bank Limited (trading through its Rand Merchant Bank division) and The Standard Bank of South Africa Limited.

Portfolio feedback:

- Virgin Active generated a strong financial performance in 2016 and remains focussed on its strategy of being the leading premium health operator in its chosen markets. The company continues to: (i) direct expansion investment in growth markets in Asia and Australia; (ii) invest in product innovation across all territories; and (iii) invest further in the digital customer journey.
- Premier continues to execute on its strategy of brand building, producing consistent quality offerings and product innovation, as well as operational efficiencies. With the normalisation of maize sales volumes and margins expected for the remaining three quarters of FY2018, together with the full year benefits of FY2017's investment in three new baking plants, Premier's core brands are well positioned to compete in their respective markets.
- Iceland Foods' strategic initiatives set out in FY2015 delivered a solid performance in FY2017. The Food Warehouse store rollout continues, with 25 openings planned in FY2018. Based on the positive sales performance the traditional Iceland store concept refit will be rolled out to further parts of the UK, predominantly in London, as part of the ongoing programme of store refurbishment. The company continues to plan and invest for the long term, with its strong cash flow generation, targeted marketing campaigns, investment in people, innovation and online sales the key strategies on which management is focused to drive growth.
- New Look's FY2017 has clearly been a difficult year and conditions are expected to remain challenging through FY2018. Plans have been set accordingly to address the specific issues experienced in FY2017 and improve business performance, whilst continuing to focus investment in its strategic diversification initiatives in China, Menswear and Multi-channel. New Look's cash flow generation and existing available undrawn borrowing facilities are sufficient to fund operations, capital expenditure and service the coupon on its High Yield Bond.
- DGB, in which Brait owns 81.3%, is the majority asset in the Other investments portfolio and continues to deliver strong operating performance. In addition to the increase in carrying value for this portfolio, Brait received ZAR322 million proceeds, mostly from DGB.

The Board has proposed a bonus share issue, with a cash dividend alternative, of 1% of NAV equal to 78.15 ZAR cents/5.25 EUR cents (FY2016: 136.27 ZAR cents/7.76 EUR cents). Further details regarding the bonus share issue with cash dividend alternative can be found in the results announcement and share circular to be distributed to shareholders.

Chairman's statement (continued)

For six years since Brait's 2011 Right Issue price of R16.50, the Company has achieved a NAV per share CAGR of 29.6% and including dividends this is 30.4%. The Company remains committed to creating long-term shareholder value through its focus on strategic value drivers, ensuring investee companies are well positioned in their respective markets, while continuing to investigate opportunities to complement its portfolio.

In closing, I wish to acknowledge the hard work and dedication from the various management teams working across the portfolio companies around the world.

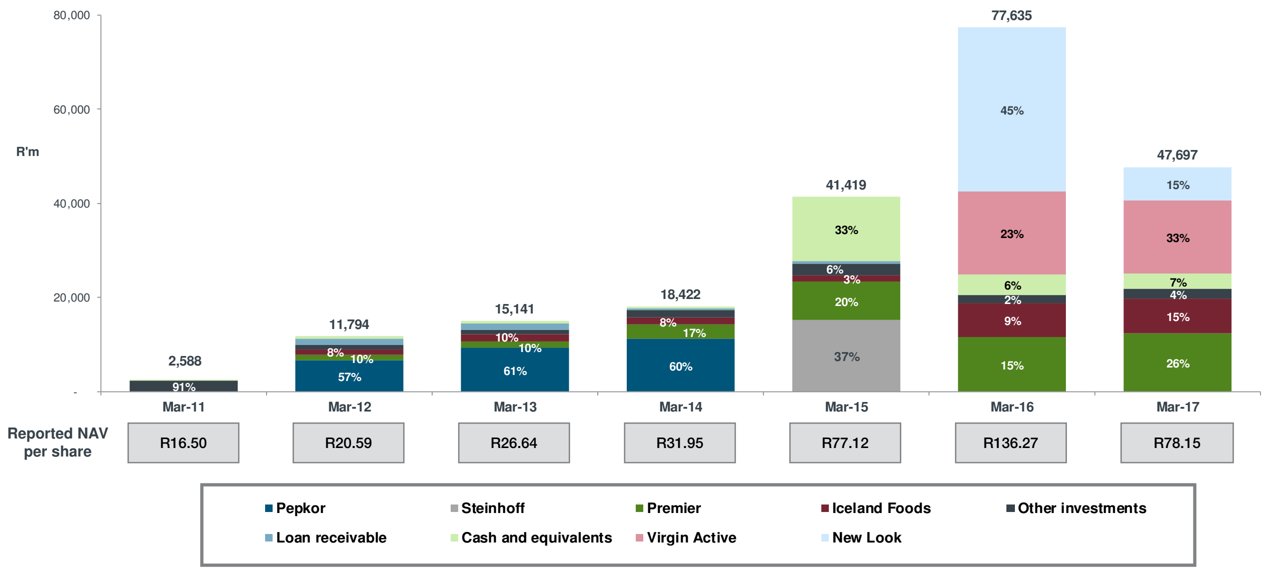
For and on behalf of the Board

PJ Moleketi
Chairman

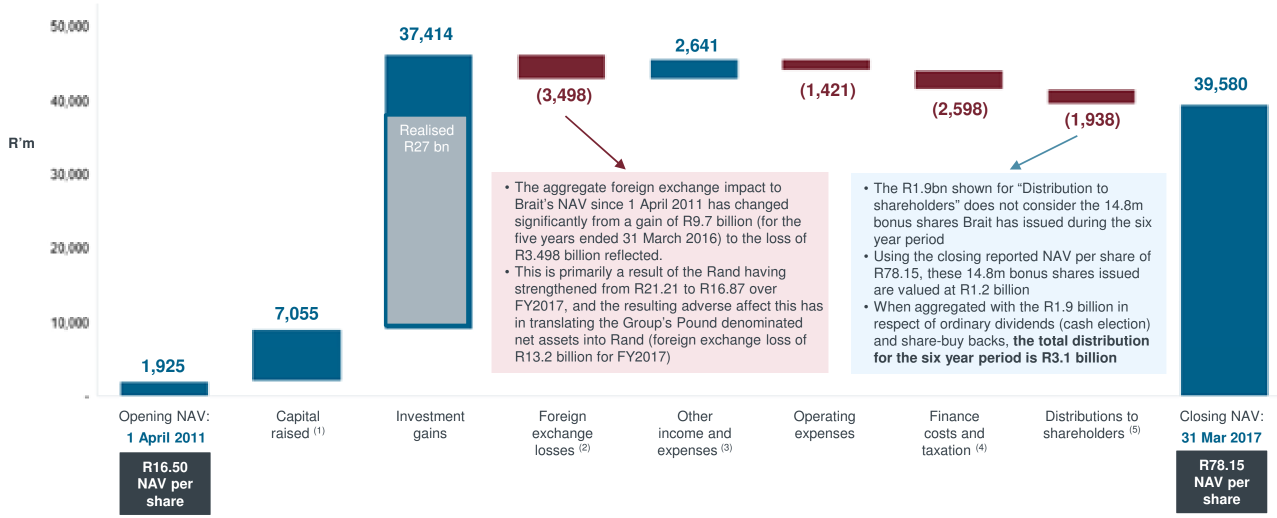
13 June 2017

4 Six year review

4.1 Reported assets and % weighting analysis: March 2011 to March 2017



4.2 Reconciliation of the six year movement in NAV: 1 April 2011 to 31 March 2017



(1) Capital raised of R7.1 billion represents the net proceeds of the R6.2 billion received from the 4 July 2011 Rights issue and Private Placement, and the R0.9 billion Convertible Bond equity reserve created from the £350 million Convertible Bonds issued in September 2015

(2) Foreign exchange losses of R3.5 billion comprise cumulative gains recognised in earnings of R1.1 billion offset by cumulative translation loss adjustments recognised in comprehensive income of R4.6 billion over the period

(3) Other income and expenses includes: interest income of R1.4 billion; dividend income of R0.8 billion; and fee income of R0.4 billion earned over the period

(4) Finance costs and taxation comprise (i) amounts charged to earnings over the period of R2.0 billion and (ii) R0.6 billion relating to preference shares that were recognised in reserves (dividends paid and share issue costs) before the redemption of these preference shares in January 2016

(5) Distributions to shareholders includes ordinary dividends (cash election) of R0.6 billion and R1.3 billion in respect of net ordinary share buy backs over the period. The ordinary shares bought over this period are treated as treasury shares and reduce the number of shares in issue for the calculation of the Group's NAV per share

5 Brait's history

1991 | FY11 | FY12 | FY13

Tolux SA (primary listed in Luxembourg and secondary listed in Johannesburg) changed its name to Brait Sociéte Anonyme in August 1998. The name derived from uncut diamond – a brait – which, in the hands of a master craftsman, can be turned into something of considerable value and beauty

1991 – 2011

- Credible 20 year PE track record achieved across Brait I, II and III PE funds:
  - Invested R3.2 billion across 48 investments
  - Realised R12 billion
  - Returned 3.7x cost; IRR in excess of benchmark 30% (in USD and ZAR)
- Flagship Brait III fund ranked joint 3rd out of 246 PE funds by New York State Common Retirement Fund (vintage yeas 1999 to 2004)
  - 80% of value creation from EBITDA growth

July – 2011

- Total of R8.6 billion (£800 million) raised:
  - R6.4 billion rights offer and private placement at NAV of R16.50 per share
  - R2.2 billion debt facilities
- Investment team acquired 18% of Brait
- Dr Wiese acquired 34.6% of Brait
- Fundamental change in Brait's business model from a private equity (PE) fund manager to an investment company focussed on long term value creation

July – 2011

- Acquired 49.9% of Premier
- Acquired 37% of Pepkor

March – 2012

Acquired 18.7% of Iceland Foods

March – 2015

Sold 37% stake in Pepkor, returning 7.0x cost and IRR of 69.5%

Pepkor

June – 2015

Acquired 89% of NEW LOOK

New Look refinanced third party debt reducing interest cost from 9.4% to 6.3% and extending maturities from 3 to 7 years

July – 2015

Acquired 78% of Virgin Active

September – 2015

Raised £350 million through the issue of convertible bonds listed on the Open Market segment of Frankfurt Stock Exchange

November – 2015

Increased stake in Iceland Foods from 18.7% to 57.1%

Iceland

FY14 **FY15** **FY16** **FY17**

2012– 2017

- Increased shareholding in Premier from 49.9% to 92.2% through option agreements with former Premier shareholders; majority referenced to July 2011 price + fixed interest at 5.5%
- Invested over R2 billion via shareholder funding to finance Premier's 8 acquisitions, including, Manhattan and Super C, Star Bakeries, Lil-Lets, Mr Bread Milling, La Femme and CIM

Premier

Strategic Events **Acquisition** **Disposal**

Our business

Attractions that Brait's model provides to shareholders:

- Access to unique investment opportunities into primarily privately owned businesses that are market leading, growth oriented and cash flow generative
- Alignment of interests amongst shareholders, other capital providers and investee management
- Avoidance of double entry points – access for investors to underlying assets is only through Brait
- Effective and pro-active communication with stakeholders as well as disclosure of valuation metrics and summarised financial information for all significant investments to enable investors to formulate their own valuations
- Efficient raising of capital, which allows the Group to focus its efforts on enhancing shareholder returns through building on existing investment strengths
- Efficient cost structure with target of less than 0.85% of operating costs to AUM
- No use of share options (which result in value leakage) in the Group
- Listed share which increases liquidity for investors
- Consistent and predictable dividend policy
- Minimal cash drag on the balance sheet whilst maintaining access to significant low cost facilities to fund new investment opportunities
- Whilst opportunistic on exit, ability to hold investments for long timeframes (open ended)
- Ability to execute transactions quickly

Brait's investment criteria:

- Investment size that 'moves the dial'
- Solid track record demonstrating strong growth in earnings, good margins and high cash flow conversion
- Strong, aligned and experienced management team
- Market leader in chosen segments
- Well developed platform in local market with ability to move geographically into high growth territories
- Clear coherent strategy that is flexible in order to be sustainable over the long term
- Sensible acquisition multiple
- Deep understanding of customers/clients
- Relevant products

7 Strategy and investment philosophy

Brait is an investment holding company focused on driving sustainable long-term growth and value creation in its investment portfolio of sizeable, unlisted businesses operating in the broad consumer sector. Brait's shares are listed on the Luxembourg Stock Exchange and also on the JSE.

Objectives	Rationale
Continue to build on Brait's historic investment return profile through growth in NAV	Provide superior return to shareholders
Invest in quality, market leading, growth oriented, entrepreneurially managed, privately owned businesses	Single entry point to quality investments driving superior NAV growth Open ended investment horizon removes short term bias from decisions
Minimal cash drag on balance sheet with prudent use of investment company and portfolio gearing	Efficient use of capital
Shareholder of reference in businesses with strong, aligned management teams, relevant products, cash generative	Responsible long term shareholders help drive value
Alignment of interests amongst Brait, stakeholders and portfolio company management teams	All focused on same goal, team oriented approach
Raise efficient capital	Enhance shareholder returns
Efficient structure	Minimal leakages: operating costs to AUM <0.85%
Demonstrate cash flow generation within underlying assets	Solid underpin to profit growth
Balanced disclosure	Achieve effective and proactive communication with stakeholders
Listed share as the vehicle	Shareholders have liquidity through listed Brait share

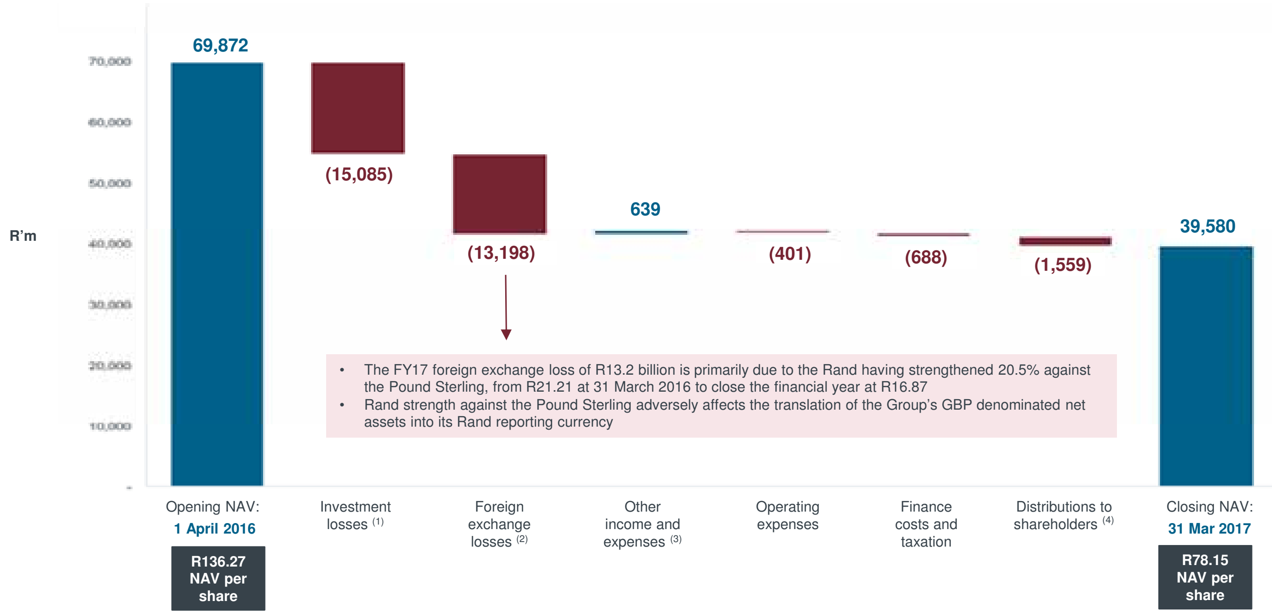
8 Year under review

8.1 Reported Rand NAV per share

Amounts in R'm	Audited 31 March 2016		Unaudited 30 September 2016		**Audited 31 March 2017**	
Investments	**73 036**	**94%**	**58 142**	**94%**	**44 408**	**93%**
Virgin Active	17 579	23%	16 107	26%	**15 516**	**33%**
Premier	11 637	15%	13 485	22%	**12 395**	**26%**
Iceland Foods	7 181	9%	7 660	12%	**7 367**	**15%**
New Look	34 869	45%	18 726	30%	**7 066**	**15%**
Other investments	1 770	2%	2 164	4%	**2 064**	**4%**
Cash and cash equivalents	4 354	6%	3 598	6%	**3 284**	**7%**
Accounts receivable	245	–	4	–	**5**	**–**
Total assets	**77 635**	**100%**	**61 744**	**100%**	**47 697**	**100%**
Borrowings	(1 100)		(2 736)		**(2 669)**	
Convertible Bonds	(6 621)		(5 630)		**(5 396)**	
Accounts payable and other liabilities	(42)		(101)		**(52)**	
Total liabilities	**(7 763)**		**(8 467)**		**(8 117)**	
NAV: ordinary shareholders	**69 872**		**53 277**		**39 580**	
Number of issued ordinary shares ('m) excluding treasury	**512.75**		**507.10**		**506.44**	
Rand NAV per share [1]	**R136.27**		**R105.06**		**R78.15**	

[1] *Closing GBP/ZAR exchange rates: (i) 31 March 2016: R21.21; (ii) 30 September 2016: R17.82; and (III) 31 March 2017: R16.87*

8.2 Reconciliation of movement in NAV: FY2017



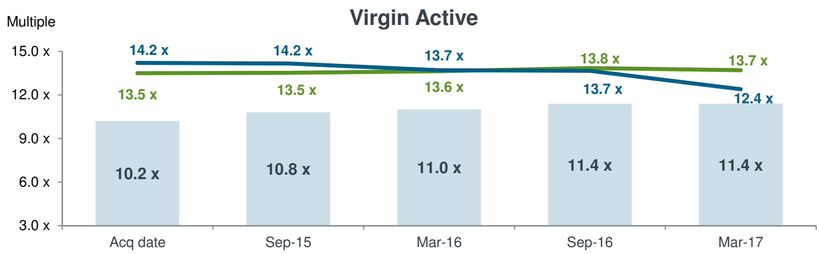
1 *Investment losses driven by the revaluation of the investment in New Look (reduction of EBITDA and valuation multiple), offset by valuation uplift from the rest of the investment portfolio*
2 *Foreign exchange losses of R13.2 billion comprise losses recognised in earnings of R0.3 billion and translation loss adjustments recognised in comprehensive income of R12.9 billion*
3 *Other income and expense mostly comprised of interest and dividend income from the investment portfolio*
4 *Distributions to shareholders includes ordinary dividends (cash election) and ordinary share buy backs during the year*

8.3 Portfolio valuation multiples

The table below summarises the EV/EBITDA multiples used by Brait in valuing the investment portfolio and shows a comparison against respective peer averages.

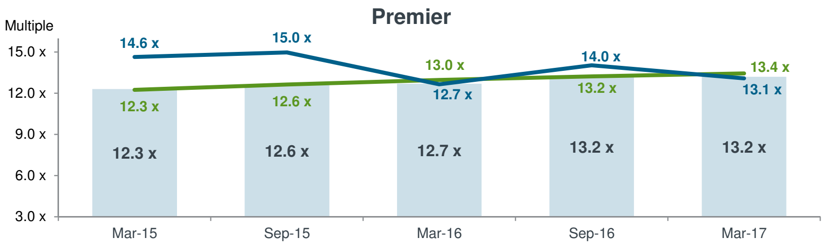
PEER GROUP FOR VIRGIN ACTIVE

Planet Fitness, Inc [(1)]
The Gym Group Plc [(2)]
Basic Fit N.V. [(3)]
Woolworths Holdings Ltd
Life Healthcare Group Holdings Ltd
Clicks Group Ltd
Whitbread Plc
Merlin Entertainments Plc



PEER GROUP FOR PREMIER

Tiger Brands Ltd
Pioneer Foods Group Ltd
AVI Ltd
Rhodes Food Group Holdings Ltd [(4)]



(1) Planet Fitness included in Virgin Active's trailing 3-year peer average from September 2015

(2) The Gym Group included in Virgin Active's trailing 3-year peer average from March 2016

(3) Dutch fitness chain, Basic Fit, listed on the Amsterdam Stock Exchange in June 2016, replaced Mr Price with effect from September 2016

(4) Rhodes Food Group included in Premier's trailing 3-year peer average from December 2014

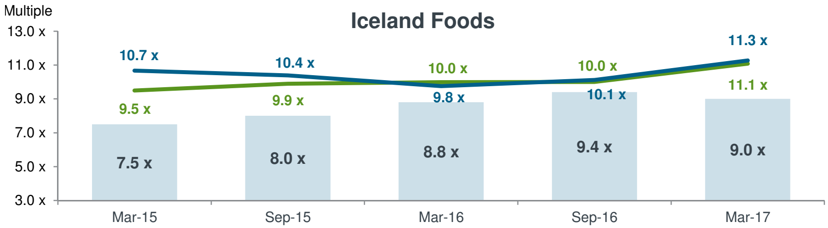
Legend	
(light blue box)	Brait valuation multiple
(green line)	Peer average: Trailing 3-year
(dark blue line)	Peer average: Spot

Brait valuation multiple discount: 31 March 2017	
Virgin Active	Premier
17%	1%
8%	(1%)

8.3 Portfolio valuation multiples (continued)

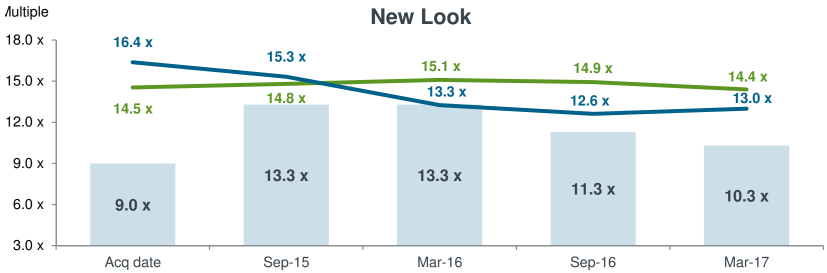
PEER GROUP FOR ICELAND FOODS [(1)]

Tesco Plc
J Sainsbury Plc
WM Morrison Supermarkets Plc
Booker Group Plc
B&M European Retail Value S.A. [(2)]



PEER GROUP FOR NEW LOOK [(3)]

H&M Hennes & Mauritz AB *(H&M)*
Industria de Diseño Textile, S.A. (Inditex) *(owns Zara)*
Marks & Spencers Group Plc (M&S)
Next Plc
Associated British Foods Plc *(owns Primark)*
Fast Retailing Co. Ltd *(owns Uniqlo)*
Ted Baker Plc
Supergroup Plc *(owns Super Dry)*



(1) *Poundland is included in Iceland Foods' trailing 3-year peer to June 2016. It delisted from the London Stock Exchange during August 2016, as a result of the acquisition by Steinhoff International at a trailing EV/EBITDA multiple of 10.7x*

(2) *With effect from March 2017, B&M is included in Iceland Foods' peer group. Historic averages for the peer group are shown unchanged*

(3) *With effect from March 2017, Ted Baker and Supergroup replace Mr Price. Historic averages for the New Look peer group are shown unchanged*

Legend	
(light blue bar)	Brait valuation multiple
(green line)	Peer average: Trailing 3-year
(blue line)	Peer average: Spot

Brait valuation multiple discount: 31 March 2017	
Iceland Foods	**New Look**
19%	29%
20%	21%

Financial review commentary

REVIEW OF OPERATIONS

The Board of Directors is pleased to report to shareholders on the Group's results for the financial year ended 31 March 2017.

KEY HIGHLIGHTS

- Brait's audited NAV per share at 31 March 2017 is ZAR78.15
- This represents a decrease of 5.2% compared to 31 December 2016's NAV per share of ZAR82.45
- The decrease of 42.6% compared to 31 March 2016's NAV per share of R136.27, includes the adverse impact of the 20.5% strengthening of the Rand against the Pound Sterling over the year, from ZAR21.21 to ZAR16.87 at 31 March 2017
- The three year CAGR for reported NAV per share to 31 March 2017 is 34.7% per annum (benchmark of 15% per annum); including ordinary share dividends it is 35.7%
- Expressed in Pound Sterling, on the basis that Brait is most invested in this currency, Brait's NAV per share at 31 March 2017 is GBP4.63 compared to GBP6.43 at 31 March 2016, a decrease of 27.9%. The three year Pound Sterling CAGR to 31 March 2017 is 36.5%, including ordinary share dividends it is 37.2%
- Brait proposes an ordinary share bonus issue, or alternatively, cash dividend of ZAR0.7815 per ordinary share

VALUE DRIVERS

Growth in NAV is the Group's key performance measure together with the following additional factors comprising the core value drivers of the business:

- Low cost to Assets Under Management (AUM) ratio;
- Minimal balance sheet cash drag;
- Significant cash flow within the investment portfolio; and
- Predictable and consistent ordinary dividend.

Growth in NAV

Brait's audited NAV per share at 31 March 2017 is ZAR78.15. This includes carrying values for the Group's GBP denominated assets and liabilities translated into the Group's ZAR presentation currency using the closing GBP/ZAR exchange rate at 31 March 2017 of ZAR16.87. Had the GBP/ZAR exchange rate at 31 March 2017 remained unchanged at ZAR21.21, which was the closing rate at 31 March 2016, Brait's reported 31 March 2017 NAV would have been ZAR92.12.

Brait's valuation policy is to reference the EV/EBITDA valuation multiple on an historical basis for each of its investments to their peer group's trailing three year average multiple. At reporting date, the EV/EBITDA historical valuation multiples used are:

	Valuation multiple used	Peer average: 3 year trailing	Peer average: spot
Virgin Active	11.4x	13.7x	12.4x
Premier	13.2x	13.4x	13.1x
Iceland Foods	9.0x	11.1x	11.3x
New Look	10.3x	14.4x	13.0x

The discounts to peer average multiples at reporting date are:

		Discount/(premium) to:	
	Valuation multiple used	Peer average: 3 year trailing	Peer average: spot
Virgin Active	11.4x	17%	8%
Premier	13.2x	1%	(1%)
Iceland Foods	9.0x	19%	20%
New Look	10.3x	29%	21%

The NAV break-down is as follows:

31 March 2016 ZAR'm	**31 March 2017 ZAR'm**		%	**31 March 2017 EUR'm**	31 March 2016 EUR'm
73 036	**44 408**	**Investments**	93	**3 100**	4 352
17 579	**15 516**	Virgin Active	33	**1 083**	1 048
11 637	**12 395**	Premier	26	**865**	693
7 181	**7 367**	Iceland Foods	15	**514**	428
34 869	**7 066**	New Look	15	**493**	2 078
1 770	**2 064**	Other investments	4	**145**	105
4 354	**3 284**	Cash and cash equivalents	7	**230**	260
245	**5**	Accounts receivable	–	**–**	15
77 635	**47 697**	**Total assets**	100	**3 330**	4 627
7 763	**8 117**	**Total liabilities**		**567**	463
1 100	**2 669**	Borrowings		**186**	65
6 621	**5 396**	Convertible bond		**377**	395
42	**52**	Accounts payable		**4**	3
69 872	**39 580**	**Net asset value**		**2 763**	4 164
512.75	**506.44**	Number of issued ordinary shares ('mil, excluding treasury shares)		**506.44**	512.75
13 627	**7 815**	**Net asset value per share (cents)**		**546**	812

KEY HIGHLIGHTS FOR THE GROUP'S INVESTMENT PORTFOLIO ARE:

Virgin Active

- For the financial year ended 31 December 2016, Revenue and EBITDA measured in constant currency, for continuing operations, increased 6% and 13% on the comparative year respectively. Using actual exchange rates, Revenue and EBITDA for continuing operations increased by 9% and 12% respectively.
- The discontinued operations relate to (i) 36 non-core UK clubs exited in July 2016, 35 of which were sold to Nuffield Health; and (ii) the sale of 14 racquet clubs to David Lloyd Leisure, which completed on 31 May 2017. These two transactions represent the final significant step for the UK operations to focus on metropolitan and commuter hubs in key markets at the premium end, which is in accordance with Virgin Active's international strategy. Following the sale, Virgin Active operates 46 clubs in the UK, 33 of which are in London.
- In Europe (which includes the UK operations), Revenue and EBITDA, measured in constant currency for continuing operations, grew by 3% and 18% respectively. Membership was stable over the year, with EBITDA growth driven by a strong performance in Italy and a streamlined, more cash generative UK estate following the sale of clubs to Nuffield Health and David Lloyd Leisure. In Southern Africa, Revenue and EBITDA, measured in constant currency, increased by 7% and 5% respectively. Membership was 1% down on the previous year, impacted by the tougher consumer environment and one off health scheme provider changes. Asia Pacific continues to demonstrate strong growth in Revenue, EBITDA and membership following continued club rollout and maturing of the Like-for-Like (LFL) clubs.

Financial review commentary (continued)

- On a continuing operations basis, 16 clubs were opened during the year, giving a total of 241 clubs at 31 December 2016. 13 of these club openings were in South Africa, 2 in Thailand and 1 in Singapore. These openings included 4 flagship Collection clubs in Cape Town, Pretoria, Singapore and Bangkok, 6 Lifecentre clubs and 5 RED clubs in South Africa, and a Lifecentre club in Thailand. Total adult membership closed the year at 1.1 million.
- Net debt for the period ending December 2016 was GBP407 million (31 December 2015: GBP402 million), comprising: (i) GBP486 million of interest bearing bank debt, which increased over the year in Pound Sterling, due to the impact of the strengthened Rand when translating Rand debt; (ii) GBP34 million of finance leases, which reduced over the year following the Nuffield Health transaction; and (iii) GBP113 million of cash, which has increased over the year as result of the Nuffield Health transaction proceeds. The net debt leverage ratio remains largely unchanged at 2.9x.
- Virgin Active's commitment to product innovation and an outstanding member experience was evidenced in 2016 with the continued rollout of the Grid across the estate; the further rollout of the popular Barre programme across the UK and Italy and its introduction in the Asia Pacific region; the launch of HEAT (a high energy athletic training class) in South Africa and the UK, Hydro (a high intensity swim class) and Iron ZUU (an on-trend group exercise product combining weight lifting with primal movement) in the UK; and significant enhancements to its digital offering.
- Brait's effective equity value participation, post dilution for the performance based sweet equity granted to the Virgin Active management team, has increased to 71.1% (FY2016: 70.4%), as a result of buybacks by Virgin Active and / or shareholders from departed Virgin Active management team members. This is also the reason for the increase in Brait's shareholder funding participation to 78.6% (FY2016: 78.2%).
- Virgin Active is valued at the reporting date using an EV/EBITDA multiple of 11.4x (FY2016: 11.0x), which represents a discount of 17% to the peer group's three year trailing average multiple of 13.7x and an 8% discount to spot. Compared to FY2016, the only change to the Virgin Active peer group was Basic Fit N.V. replacing Mr Price Group Ltd at 30 September 2016.
- Virgin Active's carrying value in Pound Sterling reflects an increase of 11% for the year at GBP920 million (FY2016: GBP829 million).
- Applying the closing GBP/ZAR exchange rate of ZAR16.87, Virgin Active's carrying value is ZAR15.5 billion (FY2016: ZAR17.6 billion), which represents 33% of Brait's total assets (FY2016: 23%).

Premier

- Premier has changed its year end from June to March to align with Brait, resulting in a nine month audited financial period ended 31 March 2017. For comparability, the pro forma results for the Last Twelve Months ended 31 March 2017 ("LTM") are discussed.
- LTM Revenue and EBITDA increased by 13.6% and 3.8% respectively, with EBITDA margin decreasing from 10.7% to 9.7%, in an environment negatively affected by the drought.
- The Baking division had a good performance given the competitive and promotional market, growing its LTM EBITDA by 11%, largely through pricing increases to maintain margin impacted by raw material cost pressure. Three new bakeries, in Potchefstroom (North West), Pinetown (KwaZulu Natal) and Fort Jackson (Eastern Cape), were commissioned during FY2017, which going forward will enable Premier to meet regional demand as well as cost and quality improvements. In a first to market in South Africa, Blue Ribbon successfully launched "Sandwich Squares", a sandwich alternative product, in the Gauteng market during February 2017.
- The Milling division's performance was impacted by the worst drought experienced in South Africa in over 100 years, with devastating effects on the 2016 maize crop, followed by one of the best rain seasons and the expectation of a record 2017 crop. This volatility drove Safex white maize prices to their all-time high of R5,290 per ton in 2016, causing consumers to substitute into other staples, with Safex prices trading down from January 2017 to around R1,800 per ton for the 2017 crop. With milling volumes and margins below expectations, LTM EBITDA for the maize business was down. This distressed maize trading environment is expected to subside with normal trading resuming after the first quarter of the new financial year. The Wheat business performed well, growing LTM EBITDA by 40%, largely through margin enhancement.
- Premier's Mozambican operations (CIM, the leading food and animal feed producer in that country) produced a strong local currency result notwithstanding challenging trading conditions driven by raw material price increases and a weak macro-economic backdrop fuelled by high inflation. In the local currency, EBITDA growth was 25% for the nine-month financial period. However, translated into Rand, EBITDA fell 24% short of the prior comparative period, as a result of the Metical depreciating against the Rand by 30%. Elsewhere in the Groceries division, Sugar Confectionery and Lil-lets South Africa performed satisfactorily.

- Premier invested ZAR625 million in capital expenditure during LTM 31 March 2017, mainly into baking projects. FY2016's ZAR1.2 billion represented the peak of Premier's medium term capital expenditure programme, primarily focussed on expanding capacity. In December 2016, Premier refinanced its debt enabling it to repay Brait ZAR281 million of shareholder funding.
- Brait increased its shareholding in Premier to 92.2% (FY2016: 91.1%), through the exercise of put and call option agreements.
- Premier is valued at the reporting date using an EV/EBITDA multiple of 13.2x (FY2016: 12.7x) which represents a discount of 1% to the peer group's three year trailing average multiple of 13.4x and a 1% premium to the peer group's average spot multiple. Compared to FY2016, the peer group for Premier Foods is unchanged.
- Premier's carrying value is ZAR12.4 billion (FY2016: ZAR11.6 billion) which represents 26% of Brait's total assets (FY2016: 15%).

Iceland Foods:

- The set of strategic initiatives that began in FY2015, with the aim of differentiating Iceland, changing consumer perceptions and restoring growth, bore fruit in FY2017, resulting in Iceland Foods being one of the UK's fastest-growing food retailers by year end.
- In a UK food retail market that has remained intensely competitive and price focussed, Iceland Foods' sales (in GBP) for the 52 weeks ending 24 March 2017 grew by 4.4%. LFL sales were 2.0% positive over the year as a whole, following a decline of 2.7% in FY2016, and showed an improving trend throughout the year, with LFL sales 4.9% positive for the fourth quarter. This LFL performance principally reflects growth in total transactions, driven by successful product innovation, as well as an increase in average basket values.
- EBITDA growth of 6.3% was driven mainly from growth in sales, while maintaining good control of operating costs, resulting in EBITDA margin of 5.7% (FY2016: 5.6%)
- The distinctive "Power of Frozen" marketing campaign, across both traditional and social media, continues to change public attitudes to frozen food and identifying Iceland Foods as the natural place to buy it. Particular success has been enjoyed in frozen fish and seafood, where Iceland Foods is the UK's leading specialist. Further growth in the exclusive branded ranges offered through partnerships with Slimming WorldTM, Greggs, Millies' Cookies and Pizza Express has been complemented by substantial improvements to Iceland Foods' chilled and ambient ranges.
- During the year, the recruitment of a new Online director and International director, together with the appointment of new senior executives to head Frozen, Chilled and Grocery buying teams significantly strengthened the operational management team.
- The Online business continues to achieve strong sales growth, leveraging the pioneering expertise in Home Delivery, which Iceland Foods has offered since 1996. In February 2017, Iceland Foods was voted the top UK supermarket retailer for the second consecutive year in the "Which?" annual survey.
- The chain of larger stores launched in 2014, mainly in retail parks, under The Food Warehouse fascia continues to expand, with 24 stores opened during the year to give a total of 36 at year-end. All stores are trading successfully, with established stores continuing to achieve positive LFL sales.
- In October 2016, Iceland Foods trialled a new format store in Clapham Common, London, which featured a bold new look, improved in-store navigation, presentation and an extended product range. A significant increase in weekly sales demonstrated the success of the new concept, with similar success shown at the refit of the flagship stores in Chester and Worcester Park.
- Iceland Foods remains highly cash generative, closing the current financial year with an increased cash balance of GBP193.2 million (FY2016: GBP164.9 million), notwithstanding the purchase and redemption during the second quarter of a nominal total of GBP38.9 million Iceland bonds at a discount of GBP3.6 million. Capital expenditure for the year of GBP65.2 million (FY2016: GBP62.1 million) included significant investments in new stores and refurbishments, EPOS and IT systems, the factory upgrade completion and construction of the new product development kitchen.
- Iceland Foods' third party debt of GBP848 million (FY2016: GBP887 million) is entirely via a High Yield Bond, which: (i) has no covenants other than certain limited restrictions, given the coupon servicing requirement; (ii) has an average remaining term of 4 years with a bullet repayment profile; (iii) is two thirds fixed in terms of interest rate; and (iv) is entirely GBP exposed. In addition, Iceland Foods has an undrawn revolving credit facility of GBP30 million.
- The group opened 32 stores during the year. Taking into account 9 store closures, and the transfer of 2 stores in Iceland (the country) to a franchisee, the group closed year-end with a total of 902 stores (FY2016: 881), of which 883 stores are in the UK (FY2016: 864).

Financial review commentary (continued)

- Iceland Foods, in which Brait owns 57.1% (FY2016: 57.1%) is valued at reporting date using an EV/EBITDA multiple of 9.0x (FY2016: 8.8x), which represents a discount of 19% to the peer group's three year trailing average multiple of 11.1x and a 20% discount to the peer group's average spot multiple. Compared to FY2016, the peer group for Iceland Foods changed at 30 September 2016 with the delisting of Poundland Group Plc, and at 31 March 2017, with the inclusion of B&M European Value Retail S.A.
- Iceland Foods' carrying value in Pound Sterling reflects an increase of 29% for the year at GBP437 million (FY2016: GBP339 million).
- Applying the closing GBP/ZAR exchange rate of ZAR16.87, Iceland Food's carrying value of ZAR7.4 billion (FY2016: ZAR7.2 billion) represents 15% of Brait's total assets (FY2016: 9%).
- The Iceland Foods FY2017 debt investor presentation is available at www.brait.com.

New Look:

- Fiscal year 2017 has seen challenging market conditions, with increasing levels of economic uncertainty and a retail environment now more competitive than ever. UK consumer confidence was impacted during the year by the Referendum on "Brexit" and decision to leave the EU. This, compounded by a shift in consumer spending habits, deprioritising clothing purchases to focus on 'experiences' has led to a disappointing sales performance. The promotion-led market in the UK and certain womenswear product challenges meant New Look had to discount more than planned to maintain inventories at a healthy level, impacting margins. In response to these factors and the growing shift in consumer mindset to 'buy now wear now', New Look has improved buying processes, working to achieve an even faster supply chain and strengthening the Buying and Design teams to ensure they deliver a stronger product proposition.
- FY2017 group revenue (in GBP) decreased by 2.4% on the comparative year, with strong performances in Own Website E-commerce, Third Party E-commerce and International partially offsetting underperformance in the UK store estate. Group LFL sales declined by 6.6% for the fiscal, with UK LFL sales decreasing by 6.8%. EBITDA decreased by 31.8% due to sales performance markdown activity, and investment in strategic initiatives.
- International sales increased by 15.4%, attributable to the year-on-year increase in trading in China (which grew to 110 stores from 85 in FY2016) and favourable movements in foreign exchange rates. New Look continues to refine its product ranges and store model in China, generating a positive LFL sales performance. Domestic sourcing now accounts for around 80% of the range in China, with the dedicated buying teams sourcing around 35% of the range exclusively for the Chinese market. During the year New Look introduced a customer loyalty programme in China, attracting over 225,000 customers in its first six months.
- Own Website E-commerce sales increased by 14.3% on FY2016, driven by increases in online traffic, improvements in functionality and content and higher conversion to sales. FY2017 saw the launch of New Look's new online platform for international websites, with its enhanced look and functionality allowing localised trading in France and Germany. The platform is optimised for mobile devices and fully supports New Look's dual gender brand.
- Third Party E-commerce sales increased by 30.9% on FY2016, benefitting from international diversity and driven by key strategic partners, primarily ASOS, Zalando and Amazon EU.
- Menswear sales increased by 13.4% on FY2016 as UK market share continues to grow, driven by a continually improving product offer and an expanded store presence. New Look opened 15 standalone Menswear stores during FY2017, with 21 in operation at the end of FY2017.
- New Look remains committed to delivering sustainable improvements in its gross profit margin, with a number of levers to achieve this including: (i) better sourcing and product negotiation to deliver improved intake margins; (ii) a clear price architecture strategy; (iii) an on-going reduction of markdown; and (iv) a review of product related costs and new technology such as inventory allocation, replenishment and management systems. New Look's rolling 15 month hedging policy sees it well hedged for FY2018.
- Following the repurchase and cancellation of GBP23.3 million Senior Notes in September 2016, New Look's cash ended the year at GBP73.2 million.
- New Look's third party debt is entirely via High Yield Bonds which: (i) have no covenants other than certain limited restrictions, given the coupon servicing requirement; (ii) have an average remaining term of 5 years with a bullet repayment profile; and (iii) are c.84% fixed in terms of interest rate and Pound exposure. In addition, New Look has an undrawn revolving credit facility of GBP100 million.
- The group's total estate closed the year at 872 stores (FY2016: 838 stores). The UK estate of 592 stores (FY2016: 575 stores) is flexible with average unexpired lease length of c.4 years.

- Brait's effective equity value participation, post dilution for the performance based sweet equity granted to the New Look management team, has increased to 81.0% (FY2016: 79.9%), as a result of buybacks by New Look and / or shareholders from departed New Look management team members. This is also the reason for the increase in Brait's shareholder funding participation to 91.0% (FY2016: 90.1%).
- New Look, is valued at the reporting date using an EV/EBITDA multiple of 10.3x, which represents a discount of 29% to the peer group's three year trailing average multiple of 14.4x and a 21% discount at the peer group's average spot multiple. Compared to FY2016, the peer group for New Look changed at 31 March 2017, with the inclusion of Supergroup Plc and Ted Baker Plc in place of Mr Price Group Ltd.
- New Look's carrying value in Pound Sterling is GBP419 million (FY2016: GBP1,644 million). Applying the closing GBP/ZAR exchange rate of ZAR16.87, New Look's carrying value is ZAR7.1 billion (FY2016: ZAR34.9 billion), which represents 15% of Brait's total assets (FY2016: 45%).
- The New Look FY2017 debt investor presentation is available at www.brait.com.

Other investments:

- DGB, in which Brait owns 81.3%, is the majority asset in this portfolio and continues to deliver strong operating performance.
- In addition to the increase in carrying value for this portfolio, Brait received ZAR322 million proceeds, mostly from DGB.
- At 31 March 2017, the Other Investments portfolio carrying value of ZAR2.1 billion (FY2016: ZAR1.8 billion) comprises 4% of Brait's total assets (FY2016: 2%).

LOW COST TO AUM RATIO

Operating expenditure for the year of ZAR401 million (FY2016: ZAR435 million) represents a ratio of 0.64% to average AUM (FY2016: 0.62%) compared to the target of 0.85% or less. The net operating costs ratio, after fee income, to average AUM for the year is 0.54% (FY2016: 0.52%).

MINIMAL BALANCE SHEET CASH DRAG

To manage dilution of overall returns, the Group targets minimal cash holdings on balance sheet, whilst retaining access to large undrawn committed facilities. The Group's cash and equivalents position at year-end of ZAR3.284 billion (FY2016: ZAR4.354 billion) represents 8.3% of NAV (FY2016: 6.2%), which is well within the benchmark maximum of 25% of NAV. The strengthening of the Rand against the Pound Sterling has adversely impacted the Group's GBP178 million cash holding as at 31 March 2017, which is the main reason for the cash translation loss recognised for the year of ZAR833 million. The Group has available undrawn gearing facilities of ZAR4.053 billion, resulting in total cash and available facilities of ZAR7.337 billion at 31 March 2017.

SIGNIFICANT CASH FLOW WITHIN THE UNDERLYING ASSETS

Brait received proceeds of ZAR603 million from its investment portfolio during FY2017, comprising ZAR281 million from Premier and ZAR322 million from the Other Investments portfolio, which were mostly from DGB. This resulted in Brait generating positive operating cash flows for FY2017.

PREDICTABLE AND CONSISTENT ORDINARY DIVIDEND

The Group's policy is an ordinary bonus share issue or dividend of 1% to 2.5% of closing NAV. Bonus shares and dividends are considered annually when the results for each year are published, taking into account the Group's available resources.

The Board has proposed a bonus share issue, with a cash dividend alternative, of 1% of NAV equal to 78.15 ZAR cents/5.25 EUR cents (FY2016: 136.27 ZAR cents/7.76 EUR cents). Further details regarding the bonus share issue with cash dividend alternative can be found below. In August 2016, 9% of shareholders elected to receive bonus shares, with 91% electing to receive cash.

ORDINARY SHARE CAPITAL

The Company issued 387,339 bonus shares in August 2016 (August 2015: 4,134,816), resulting in total issued ordinary share capital at 31 March 2017 of 521,012,174 shares of EUR0.22 each (FY2016: 520,624,835 shares). The Company held 14,576,784 treasury shares at 31 March 2017 (FY2016: 7 873 326), resulting in issued ordinary share capital, net of treasury shares, of 506 435 390 (FY2016: 512 751 509 shares).

Financial review commentary (continued)

CONVERTIBLE BOND

Brait's GBP350 million unsecured convertible bonds are listed on the Open Market (Freiverkehr) segment of the Frankfurt Stock Exchange ("Bonds"). The Bonds have a five-year term ending 18 September 2020 and carry a fixed coupon of 2.75% per annum payable semi-annually in arrears. In accordance with the terms and conditions, the Bond's conversion price post the payment of FY2016 dividend is GBP7.8400. Upon the exercise of bondholder conversion rights, these Bonds will convert into 44.643 million ordinary shares (8.6% of Brait's current issued share capital).

The Company serviced the FY2017 coupon of GBP9.6 million during the year. In accordance with IAS 32 (Financial Instruments: Presentation), the Bonds' liability component is measured at reporting date as GBP319.9 million (FY2016: GBP312.2 million). Applying the closing GBP/ZAR exchange rate of ZAR16.87, results in the Bonds' translated carrying value of ZAR5.4 billion (FY2016: ZAR6.6 billion).

GROUP FUNDING POSITION

During December 2016, the Group concluded its increased committed revolving facility of ZAR8.5 billion, which has a maturity of 6 December 2020. As with the previous facility, the lending banks were FirstRand Bank Limited (trading through its Rand Merchant Bank division) and The Standard Bank of South Africa Limited.

GROUP OUTLOOK

- Virgin Active generated a strong financial performance in 2016 and remains focussed on its strategy of being the leading premium health operator in its chosen markets. The company continues to: (i) direct expansion investment in growth markets in Asia and Australia; (ii) invest in product innovation across all territories; and (iii) invest further in the digital customer journey.
- Premier continues to execute on its strategy of brand building, producing consistent quality offerings and product innovation, as well as operational efficiencies. With the normalisation of maize sales volumes and margins expected to resume after the first quarter of FY2018, together with the full year benefits of FY2017's investment in three new baking plants, Premier's core brands are well positioned to compete in their respective markets.
- The strategic initiatives that Iceland Foods set out in FY2015, have delivered a strong performance in FY2017. The Food Warehouse store rollout continues, with 25 openings planned in FY2018. Based on the positive sales performance, the traditional Iceland Store concept refit will be rolled out to further parts of the UK, with 50 to 60 stores planned for FY2018, predominantly in London, as part of the ongoing programme of store refurbishment. The company continues to plan and invest for the long term, with its strong cash flow generation, targeted marketing campaigns, investment in people, innovation and online sales the key strategies on which management is focused to drive growth.
- New Look's FY2017 has clearly been a difficult year and conditions are expected to remain challenging through FY2018. Plans have been set accordingly to address the specific issues experienced in FY2017 and improve business performance, whilst continuing to focus investment in its strategic diversification initiatives in China, Menswear and Multi-channel. New Look's cash flow generation and existing available undrawn borrowing facilities are sufficient to fund operations, capital expenditure and service the coupon on its High Yield Bond.

The Group continues its focus on strategic value drivers. There is significant value to be driven through the existing portfolio, which is where the key focus will be for FY2018.

10 Proposed bonus share issue or cash dividend alternative

The Board has proposed a bonus share issue of new, fully paid, ordinary Brait Shares with a par value of EUR0.22 each ("New Shares") in proportion to the shareholding of each respective shareholder in Brait, payable to shareholders recorded in the register on the Record Date (the "Bonus Share Issue"). Shareholders will be entitled, in respect of all or part of their shareholding, to elect to receive a cash dividend ("Cash Dividend") of 78.15 ZAR cents/5.25 EUR cents per ordinary share held, or to reinvest the cash dividend (net of any applicable dividend taxes) as a subscription for New Shares ("Cash Dividend Reinvestment"), together the "Cash Dividend Alternative", in lieu of the Bonus Share Issue. The Cash Dividend Alternative will only be applicable to those shareholders who have elected to receive this and whose election forms are received by the transfer secretaries on or before 12:00 pm on the Record Date. The offer to reinvest the Cash Dividend (net of any applicable dividend taxes) is non-renounceable. Based on the number of issued shares of 521,012,174, the dividend of 78.15 ZAR cents/5.25 EUR cents equates to a total of R407,171,014/EUR27,353,139, which represents the maximum Cash Dividend amount.

The number of New Shares to which shareholders will be entitled pursuant to either the Bonus Share Issue or the Cash Dividend Reinvestment will be determined by such shareholder's shareholding in Brait on the Last Day to Trade in relation to the ratio that the dividend of 78.15 ZAR cents / 5.25 EUR cents bears to the Volume Weighted Average Price (VWAP), which VWAP will be calculated for the 15-day period ended 24 July 2017. The VWAP is expected to be announced to the market on or about 26 July 2017.

On or about Friday, 30 June 2017 full details of the Bonus Share Issue and Cash Dividend Alternative will be included in a market announcement on the website of the Luxembourg Stock Exchange and on the Stock Exchange News Service of the Johannesburg Securities Exchange, and will be made available to shareholders in the form of a circular. The circular and market announcement will include requisite details such as the salient dates (including Record Date and Last Day to Trade).

The Bonus Share Issue and Cash Dividend Alternative are, however, subject to shareholder approval at the Company's AGM on 26 July 2017. The results of the AGM are expected to be announced to the market on or about 26 July 2017.

Shareholders not electing to receive the Cash Dividend Alternative in respect of all or part of their shareholding will, without any action on their part, be issued with New Shares in accordance with their shareholding pursuant to the Bonus Share Issue.

The Bonus Share Issue and the Cash Dividend Alternative may have tax implications for shareholders. If South African Dividends Tax applies, the net dividend will be 62.52 ZAR cents per share.

Shareholders are encouraged to consult with their professional advisors should they be in any doubt as to the appropriate action to take.

11 Investment portfolio

11.1 Virgin Active

Transaction overview

Date of acquisition	16 July 2015
Total investment to date	£692 million (R12 735 million)
Entry multiple	10.2x
Current carrying value	£920 million (R15 516 million)
Current economic equity interest held	71.1%

Business Overview

- **Virgin Active was founded in the UK in 1999**
- **Market-leading positions in South Africa and Europe and longstanding successful partnership with key health providers**
- **Has a presence in Thailand, Singapore and Australia providing opportunities within the fast growing Asia Pacific health club market**
- **Virgin Active is a high-quality, consumer driven growth asset, with a combination of emerging and developed market exposure**
  - 241 clubs in 10 countries across 4 continents [(1)]
  - Platform for further growth, particularly in Asia
  - Commitment to product innovation and on outstanding member experience
- **The group has over 1.229 million members (1.1 million adults) worldwide**

(1) *As at 31 December 2016*

Investment thesis

Attractions	Demonstrated through
Alignment	• Brait is the controlling shareholder alongside management, the founder and Sir Richard Branson
Management team	• Experienced, aligned and proven team
Market leader	• Outstanding business in South Africa • Leading operator in London and Italy based on revenues
Clear strategy	• A proven model that is repeatable, flexible and resilient • Exposure to positive macro health and wellness trends • A strong rollout pipeline; exciting platform in Asia Pacific
Well positioned	• Geographical diversification that is able to leverage the best practices of the group • Aspirational global consumer brand is a key differentiator supporting the customer proposition • Strong relationships with healthcare providers
Financial track record	• High earnings visibility from subscription based model
Cash flow generative	• Strong cash flow generation with a large proportion of membership fees received in advance • Provides capital for expansion or returns to shareholders

Virgin Active strategy

Our purpose is to make exercise irresistible

Our strategy is to create health club networks focussed around major metropolitan hubs; offering a red hot customer experience

Our vision is to be the world's most loved exercise brand

For information on Virgin Active, including commentary on the latest results, please refer to Brait's 2017 audited results presentation booklet at www.brait.com

Investment portfolio (continued)

Summarised financial results

Summarised income statement *(Results in £m; actual reported currency)*	**Dec-16** *Unaudited [6, 7]*	**Dec-15** *Unaudited [6] [7]*	**Dec-14** *Audited*	**Dec-13** *Audited*	**Dec-12** *Pro forma [1]*
Revenue	**535**	**490**	**639**	**653**	**642**
% growth	*9%*	*n/a*	*(2%)*	*2%*	
EBITDA [2]	**121**	**108**	**124**	**123**	**122**
% margin	*23%*	*22%*	*19%*	*19%*	*19%*
Depreciation expense	(38)	(34)	(36)	(44)	(40)
Amortisation expense	(17)	(27)	(35)	(39)	(43)
EBIT	**66**	**47**	**53**	**40**	**39**
% margin	*12%*	*10%*	*8%*	*6%*	*6%*
Net interest charge [3]	(43)	(75)	(100)	(89)	(92)
Exceptional items [4]	(28)	(44)	(43)	(57)	(25)
EBT	**(5)**	**(72)**	**(90)**	**(106)**	**(78)**
Tax [5]	(7)	(15)	(1)	(24)	(1)
PAT [8]	**(12)**	**(87)**	**(91)**	**(130)**	**(79)**

(1) *The audited results for FY2012 covered a 16 month and 30 day period. For comparability, pro forma results for 12 months to December 2012 shown*

(2) *EBITDA is defined as operating profit before depreciation, impairment, amortisation, non-recurring items and profit/(loss) on disposal of property, plant and equipment as well the impact of non-cash rent adjustments*

(3) *The overall interest charge reduced primarily as a result of a restructuring of the shareholder funding following Brait's acquisition. Shareholder funding is now held in a Virgin Active parent company and not included in the operating company's audited results. Brait's valuation of Virgin Active takes full consideration of this shareholder funding, including accrued interest to Brait's reporting date*

(4) *Exceptional items in 2016 include non-recurring items of £9 million, a £7 million straight-lining lease adjustment, club impairments of £11 million, and profit or loss on the disposal of fixed assets £1 million*

(5) *The tax charge in 2014 was reduced by a deferred tax credit*

(6) *Presented on a continuing operations basis (excludes 35 UK clubs sold to Nuffield and 1 UK club exited in July 2016) as well as 14 clubs sold to David Lloyd effective 31 May 2017*

(7) *At the point of publishing this report the finalisation of the audit at the Group Annual Accounts for 2016 had not yet been completed. As a result, the restated (for continuing operations) December 2015 amounts shown are also unaudited*

(8) *PAT for 2016 including the profit from discontinued operations is £54 million (2015: (£87 million))*

Summarised balance sheet [1] *(Results in £m; actual reported currency)*	**Dec-16** *Unaudited* [3, 4]	**Dec-15** *Unaudited* [3, 4]	**Dec-14** *Audited*	**Dec-13** *Audited*	**Dec-12** *Pro forma* [2]
Total assets	**1 009**	**903**	**998**	**1 028**	**1 174**
Property and equipment	368	365	349	332	345
Intangibles	408	389	467	513	643
Current assets	77	41	42	43	45
Cash	113	79	83	90	72
Other	43	28	57	50	69
Total liabilities	**849**	**803**	**836**	**754**	**789**
Trade creditors	30	26	24	27	24
Current liabilities	124	97	111	114	116
Interest bearing bank debt	486	423	423	336	373
Finance leases	34	58	62	66	69
Other	175	199	216	211	207
Shareholders' Equity	**160**	**100**	**162**	**274**	**385**

Summarised cash flow statement [1] *(Results in £'m; actual reported currency)*	**Dec-16** [4] *Unaudited*	**Dec-15** *Unaudited* [4]	**Dec-14** *Audited*	**Dec-13** *Audited*	**Dec-12** *Pro forma* [2]
Cash flow from operations	**149.7**	**125.1**	**121.0**	**121.0**	**119.0**
% EBITDA	*124%*	*116%*	*98%*	*98%*	*98%*
Maintenance and head office capex	(46.7)	(47.3)	(31.0)	(38.0)	(33.0)
Operating cash flow	**103.0**	**77.8**	**90.0**	**83.0**	**86.0**
% EBITDA	*85%*	*72%*	*73%*	*67%*	*70%*
Investments – new clubs, acquisitions and premiumisation	(35.4)	(70.4)	(46.0)	(30.0)	(29.0)
Non-recurring capex	–	–	(5.0)	–	(17.0)
Exceptional, one off items and proceeds on disposal of assets	50.0	(9.9)	(13.0)	6.0	6.0
Operating cash flow post capex	**117.6**	**(2.5)**	**26.0**	**59.0**	**46.0**
% EBITDA	*97%*	*(2%)*	*21%*	*48%*	*38%*
Interest	(48.6)	(37.6)	(35.1)	(33.2)	(43.1)
Tax paid	(13.1)	(10.0)	(13.1)	(11.6)	(11.5)
Operating cash flow post capex, tax and interest paid	**55.9**	**(50.1)**	**(22.2)**	**14.2**	**(8.6)**
% EBITDA	*46%*	*(46%)*	*(18%)*	*(12%)*	*(7%)*

[1] The audited figures are from the Virgin Active operating company's financial results. The shareholder funding which sits in a Virgin Active parent company is therefore not reflected. Brait's valuation of Virgin Active takes full consideration of this shareholder funding, including accrued interest to Brait's reporting date

[2] The audited results for FY2012 covered a 16 month and 30 day period. For comparability, pro forma results for 12 months to December 2012 shown

[3] Summarised balance sheet is stated on a continuing operations basis for December 2016 and December 2015 with the assets related to the discontinued operations classified as assets held for sale within other assets and other liabilities

[4] At the point of publishing this report the finalisation of the audit at the Group Annual Accounts for 2016 had not yet been completed. As a result, the restated (for continuing operations) December 2015 amounts shown are also unaudited

Investment portfolio (continued)

Brait's valuation of its investment in Virgin Active [1]

		Audited 31-Mar-16 £'m	Unaudited 30-Sept-16 £'m	Audited 31-Mar-17 £'m
Maintainable EBITDA		134.5	135.3	140.0
EV/EBITDA multiple		11.0x	11.4x	11.4x
Enterprise value		**1 479.8**	**1 542.4**	**1 596.0**
Less: net third party debt		(407.6)	(370.3)	(411.4)
Shareholder value		**1 072.2**	**1 172.1**	**1 184.6**
Less: shareholder funding [2]		(946.0)	(992.3)	(1 037.4)
Equity value		**126.2**	**179.8**	**147.2**
Brait's effective equity value participation % [3] [4]		**70.4%**	**70.5%**	**71.1%**
Carrying value (GBP'm) for Braits share of equity value	A	**88.9**	**126.8**	**104.6**
Shareholder funding at valuation date		**946.0**	**992.3**	**1 037.4**
Brait's shareholder funding participation % [4]		**78.2%**	**78.3%**	**78.6%**
Carrying value (GBP'm) for Brait's share of shareholder funding	B	**740.0**	**777.3**	**815.3**
Carying value (GBP'm) for Brait's investment in Virgin Active [5]	(sum of A and B)	**828.9**	**904.1**	**919.9**
Closing GBP/ZAR exchange rate		R21.21	R17.82	R16.87
Carrying value (ZAR'm) for Brait's investment in Virgin Active		**R17 579**	**R16 107**	**R15 516**
Carrying value (GBP'm) translated into ZAR'm using acquisition exchange rate of R18.39		R15 243	R16 626	R16 916
Impact on carrying value from GBP/ZAR exchange rate movement		R2 336	(R519)	(R1 401)

(1) *Virgin Active exited 36 non-core UK clubs during July 2016, 35 of which were sold to Nuffield Health. Maintainable EBITDA used in the 30 September 2016 and 31 March 2017 valuations excludes EBITDA associated with these clubs, with net third party debt including the sales proceeds received and finance lease obligations released. The sale of the 14 racquet clubs to David Lloyd Leisure had not completed at the time of finalising the 31 March 2017 valuation (thus not treated as discontinued at the valuation date – note that this transaction is not considered dilutive to Brait's carrying value of Virgin Active)*

(2) *GBP denominated shareholder funding bears interest at a fixed rate of 10%, is unsecured, with no fixed repayment terms and matures 16 July 2025. Total shown includes accrued interest to valuation date*

(3) *Brait announced on 16 July 2015 the completion of the acquisition of c.80% of Virgin Active. During September 2015, further classes of non-voting share capital (sweet equity) were issued to the Virgin Active management team subject to vesting over a 4 year term. The valuation at reporting date reflects the full dilution to Brait's economic interest in the equity value of Virgin Active*

(4) *The increase in participation % over the year is a function of buybacks by the company and/or shareholders from departed Virgin Active management team members*

(5) *Brait entered into a series of put option agreements with the Virgin Active management team, based on Brait's fair value of Virgin Active at the exercise date and as a result, do not expose Brait to fair value risk*

11.2 PREMIER

Transaction overview

Date of initial acquisition	5 July 2011
Total investment to date	R4.2 billion
Entry multiple	6.4x
Current carrying value	R12.4 billion
Realised value	R666 million
Current economic equity interest held [1]	92.2%

[1] Brait initially acquired 49.9% of Premier on 5 July 2011. The increase in shareholding is due to the exercise of put and call option agreements

Business overview

- **A leading staple foods producer with the strategic intent to be a fast moving consumer goods (FMCG) manufacturer offering branded and private label solutions**
- **Strong heritage brands dating back to 1820 and corporate history back to 1912**
  - Snowflake (wheat flour), Iwisa No 1 and Nyala (maize meal), Blue Ribbon (bread)
  - Lil-lets (feminine hygiene), Manhattan and Super C (sugar confectionery)
  - Companhia Industrial da Matola S.A. ("CIM") market leading food portfolio in Mozambique including Top Score (maize meal), Florbela and Favorita (wheat flour)
- **Operates a wide footprint**
  - 14 bakeries, 7 wheat mills, 3 maize mills, 19 distribution depots, a sugar confectionery plant, a feminine hygiene manufacturing plant, a biscuit plant, a pasta plant and an animal feeds plant
  - Export sales into 15 countries in Africa as well as into the UK, China and Middle East from the Lil-lets sales office in the UK
  - 19% of revenue derived from sales outside South Africa
- **On a large scale**
  - Employs c. 9 700 people
  - Sells 540 million loaves of bread, 535 000 tons of maize and 822 000 tons of wheat per year (including by-products)
  - Makes over 40,000 deliveries daily with a fleet of c.840 bakery trucks and
- **Serves all channels to the market with significant exposure to the informal market which accounts for 70% of bread sales volumes**

Premier

Brand hierarchy

Premier FMCG

- **Milling**
  - IWISA No 1
  - Snowflake
  - Impala Special Maize Meal
  - Invicta Maize Rice
  - Invicta Samp
  - Nyala Super Maize Meal
  - Premier Traditional Coarse Braaipap
  - Thrive
  - Super Sun
  - easymix
- **Baking**
  - Blue Ribbon
  - B B Bread Classic
  - Mister Bread
  - Star Bread
- **Groceries**
  - Manhattan
  - Super C
  - Lil-lets
  - Vulco
  - Dove(1)
- **International**
  - CIM
  - Polana
  - Florbela
  - Favorita
  - Top Score
  - Blue Ribbon
  - S.U.B.
  - Bakers Pride
  - Lil-lets

(1) *Premier has the rights to produce and distribute the "Dove" brand for use in cotton wool products in South Africa in perpetuity*

Investment thesis

Attractions	Demonstrated through
Alignment	• Shareholders are Brait (92.2%) and management (7.8%)
Management team	• Deep bench with significant industry experience across all categories
Market leader	• Market leading staple food brands • Includes some of the oldest brands in the country
Clear strategy	• Optimising core operations by investing in people, brands and assets • Investing in a number of internal projects with attractive returns • Target acquisitions in a wide range of adjacent and FMCG categories
Well positioned	• Distribution platform – opportunity for other product sets • Sizeable footprint and reach – not easy to build/replicate • Operating leverage – ability to expand margins and improve production efficiencies
Cash consumer	• Well exposed to cash consumer in higher growth LSM 1 – 6 categories • CIM acquisition provides exposure to neighbouring countries
Cash flow generative	• Strong cash flow characteristics due to nature of the product basket that is focussed on cash sales into the informal market

Evolution of Premier's strategy

The three pillars of Premier's strategy:

1. Optimising milling and baking operations by investing in people, brands and assets
2. Converting from a staple foods producer to an FMCG branded business
3. Geographic expansion

Strategic intent:
To be a leading fast moving consumer goods ("FMCG") player by growing EBITDA from existing operations at sustainable double digit margins, expanding the portfolio and growing in chosen geographies

Mission statement:

- The Premier group provides innovative, branded and private label solutions in partnership with our customers and consumers in the FMCG sector via defined routes to market
- Sustainable growth is achieved through organic and acquisitive opportunities in chosen geographies
- Our success is measured by our profitability and also by our ability to reinvent ourselves through our innovative products and leading brands
- We are mindful of our responsibilities towards our stakeholders, employees, consumers and the communities in which we operate

To be the best and grow together, we:

- Run our existing business well
- Are innovative and have a high performance culture
- Ensure route to market excellence
- Have category leadership in targeted categories
- Grow through acquisitions and geographic expansion

For information on Premier including commentary on the latest results for the LTM FY17 31 March 2017, please refer to Brait's 2017 audited results presentation booklet at *www.brait.com*

Premier

Summarised financial results

Summarised income statement R'm	[1] March 2017 Pro forma	Audited June 2016	Audited [2] June 2015	Audited June 2014	Audited June 2013
Net revenue [3]	**11 692**	**11 209**	**8 835**	**7 750**	**6 272**
% growth	*4.3%*	*26.9%*	*14.0%*	*23.6%*	*9.4%*
EBITDA	**1 138**	**1 167**	**856**	**573**	**422**
% margin	*9.7%*	*10.4%*	*9.7%*	*7.4%*	*6.7%*
Depreciation and amortisation	(291)	(373)	(369)	(135)	(86)
Adjusted EBIT	**847**	**794**	**487**	**438**	**336**
% margin	*7.2%*	*7.1%*	*5.5%*	*5.7%*	*5.4%*
Exceptional items [4]	**(134)**	**(27)**	**(56)**	**(53)**	**(15)**
EBIT	**713**	**767**	**431**	**385**	**321**
Net finance costs	(587)	(521)	(313)	(227)	(120)
EBT	**126**	**246**	**118**	**158**	**201**
PAT	**21**	**103**	**71**	**100**	**122**

(1) *Premier has changed its year end from June to March align with Brait, resulting in a nine month audited financial period ended 31 March 2017. For comparability, the pro forma results for the Last Twelve Months ended 31 March 2017 (LTM March 2017) are shown*

(2) *The audited results for FY2015 exclude the CIM acquisition made in March 2015, which was integrated into Premier with effect from 1 July 2015*

(3) *In FY2016, Premier has changed the recognition of sales of its milling by-product from revenue to recovery of costs. The historical net revenue amounts quoted in this side have not been restated to exclude these sales*

(4) *Exceptional items include: (i) non-cash adjustments such as: the accounting mark-to-maket that arises on the share appreciation rights scheme, profit or loss on the sale of assets, straight lining of leases: and (ii) non-recurring items such as debt refinance and business restructuring costs*

Premier

Summarised cash flow information R'm	[1] March 2017 Pro forma	Audited June 2016	Audited [3] June 2015	Audited June 2014	Audited June 2013
Cash flow from operations before working capital [2]	**1 035**	**1 140**	**857**	**577**	**408**
Working capital	(85)	241	(153)	(31)	(9)
Cash flow from operations	**950**	**1 381**	**704**	**546**	**399**
% EBITDA	*83.5%*	*118.3%*	*82.2%*	*95.3%*	*94.6%*
Capital expenditure (including acquisition of intangibles)	(625)	(1 199)	(549)	(408)	(203)
Operating cash flow post capex	**325**	**182**	**155**	**138**	**196**
% EBITDA	*28.6%*	*15.6%*	*18.1%*	*24.1%*	*46.5%*
Taxaton paid	(100)	(121)	(80)	(22)	(2)
Interest paid	(244)	(252)	(147)	(116)	(124)
Operating cash flow post capex, tax and interest	**(19)**	**(191)**	**(72)**	**–**	**70**
% EBITDA	*(1.7%)*	*(16.4%)*	*(8.4%)*	*–*	*16.6%*

Summarised balance sheet R'm	[1] March 2017 Pro forma	Audited June 2016	Audited [3] June 2015	Audited June 2014	Audited June 2013
Total Assets	**8 064**	**7 935**	**5 680**	**5 206**	**3 209**
Property and equipment	3 388	3 181	1 871	1 363	951
Intangibles	2 525	2 447	2 226	2 335	949
Current Assets	1 975	2 132	1 548	1 436	972
Cash	176	175	35	72	337
Total Liabilities	**4 481**	**4 128**	**3 185**	**2 738**	**1 990**
Trade creditors	1 251	1 709	1 008	1 047	673
Debt	2 508	1 829	1 732	1 252	1 082
Other	722	590	445	439	235
Shareholders Equity [4]	**3 583**	**3 807**	**2 495**	**2 468**	**1 219**

[1] *Premier changes its year end from June to March to align with Brait, resulting in a nine months audited financial period ended 31 March 2017. For comparability, the pro forma results for the last twelve months ended 31 March 2017 are shown*

[2] *Cash flow before non-recurring gains and losses, pre tax paid*

[3] *The audited results for FY2015 exclude the CIM acquisition made in March 2015, which was integrated into Premier with effect from 1 July 2015*

[4] *Shareholder loans are included in Shareholders Equity*

Investment portfolio (continued)

Brait valuation of its investment in Premier

	Audited 31-Mar-16 R'm	Unaudited 30-Sept-16 R'm	Audited 31-Mar-17 R'm
Maintainable EBITDA	1 125	1 211	1 140
EBITDA multiple [(1)]	12.7x	13.2x	13.2x
Enterprise value	**14 286**	**15 988**	**15 048**
Less: net third party debt	**(1 946)**	**(1 508)**	**(1 850)**
Total net third party debt at valuation date [(2)]	(2 304)	(1 810)	(2 363)
Adjustment for acquisitions/capex not as yet generating EBITDA	358	302	513
Less: shareholder funding	**(2 562)**	**(2 938)**	**(2 854)**
Total shareholding funding at valuation date	(2 726)	(2 938)	(2 854)
Adjustment for acquisitions/capex not as yet generating EBITDA	164	–	–
Equity value of Premier	**9 778**	**11 542**	**10 344**
Brait's shareholding in Premier [(3)]	**91.1%**	**91.4%**	**92.2%**
Brait's carrying value (ZAR'm) for its investment in Premier [(4)]	**11 637**	**13 485**	**12 395**
Equity value	8 911	10 547	9 541
Shareholder funding [(5)]	2 726	2 938	2 854

[(1)] *The March 2017 valuation multiple used of 13.2x is at a discount of 1% to the peer average trailing three year EBITDA multiple of 13.4x and a 1% premium to the peer average spot EBITDA multiple of 13.1x*

[(2)] *Ratio of net third party debt at valuation date to EBITDA: March 2016: 2.0x; March 2017: 2.1x*

[(3)] *Increase in Brait's shareholding due to the exercise of put and call option agreements*

[(4)] *Brait has entered into a series of put option agreements with the Premier Management team, based on Brait's fair value of Premier at the exercise date and as a result do not expose Brait to fair value risk*

[(5)] *Shareholder funding bears interest at the ruling SA prime interest rate plus a margin of 2% and is unsecured, with no fixed repayment terms. Premier has to date repaid Brait R666 million*

Iceland

11.3 ICELAND FOODS

Transaction overview

	%	Date	Entry multiple	£	R
Initial acquisition	18.7%	9 March 2012	6.5x	£ 81 million	R 971 million
Further acquisition	38.4%	18 November 2015	7.9x	£175 million	R3 775 million
Total	57.1%			£256 million	R4 746 million
Realised value				£ 2 million	R 32 million
Current carrying value				£437 million	R7 367 million

Introduction

- UK based national food retailer best known for its frozen food offering
- Founded in 1970 by Malcolm Walker, current CEO and Chairman

Defensible market position

- 2.2% of UK grocery market
- 16.8% share of the UK frozen market (2nd only to Tesco)
- Focussed differentiated customer proposition of quality, value and convenience

Products

- c.2 600 products (branded and private label) in the traditional Iceland stores, including Frozen, Chilled and Grocery, and over 3 000 in the Food Warehouse. Products range from everyday items such as milk, eggs and bread to an extensive range of frozen food covering a broad spectrum including ready meals, pizza, party food, meat, fish, poultry and vegetables
- Iconic private label offering (c.45% of total sales) with high levels of product quality and innovation (68% of Frozen sales are private label)
- Sales are c.40% Frozen, with the balance split evenly between Chilled and Grocery

Channels

- Core Iceland: 847 stores mainly in convenient high street locations trading under the Iceland logo, offering Home Delivery; a unique free delivery service offered to customers spending in excess of £20
- Online: online service available throughout the UK, with free delivery to customers spending in excess of £35
- The Food Warehouse: 36 larger stores on small retail parks trading under The Food Warehouse logo
- International: 19 stores trading under the Iceland logo in Ireland and Czech Republic, with franchise agreements in Spain and the Channel Islands

Iceland

Business split into 3 channels:

- Core Iceland stores
- Online
- The Food Warehouse

Changing perception with trading initiatives in 3 main areas:

- Products
- Marketing & PR
- Formats

"We are Iceland"

A multi-channel retailer offering outstanding food at great value, with a focus on frozen innovation and keeping processes as simple as possible

Summarised financial information

Iceland

Summarised income statement *(March year-end. Results in £'m)*	**Audited 2017**	**Audited 2016**	**Audited (1) 2015**	**Audited 2014**	***Pro forma* (2) 2013**
Revenue	2 792	2 675	2 697	2 711	2 640
% growth	*4.4%*	*(0.8%)*	*(0.5%)*	*2.7%*	*1.0%*
EBITDA	160	151	150	202	226
% margin	*5.7%*	*5.6%*	*5.6%*	*7.5%*	*8.5%*
Depreciation and amortisation of intangibles	(42)	(36)	(39)	(47)	(42)
Adjusted EBIT	118	115	112	155	184
% margin	*4.2%*	*4.3%*	*4.2%*	*5.7%*	*7.0%*
Amortisation of goodwill (3)	(75)	(75)	(75)	(75)	(72)
Exceptional items	–	(9)	(5)	(8)	–
EBIT	43	30	32	72	112
% margin	*1.5%*	*1.1%*	*1.2%*	*2.7%*	*4.2%*
Net finance charges	(47)	(53)	(4) (80)	(49)	(68)
EBT	(4)	(23)	(48)	23	44
% margin	*(0.1%)*	*(0.9%)*	*(1.8%)*	*0.9%*	*1.7%*
PAT	(15)	(35)	(54)	4	16
% margin	*(0.5%)*	*(1.3%)*	*(2.0%)*	*0.2%*	*0.6%*

(1) *Iceland Foods adopted Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" in FY2016. This resulted in the restatement of FY2015 EBT and PAT to recognise the £12m gain on fair value of foreign exchange forward contracts, cross currency and interest rate swaps. Under the old UK GAAP, such derivative contracts were not recognised in the balance sheet. These derivative contracts were closed out during the July 2014 debt refinancing*

(2) *The audited FY2013 financial statements are Group accounts which include operating results from the acquisition date 9 March 2012 to 31 March 2013. For comparability, pro forma results for the 52 weeks to 31 March 2013 have been shown*

(3) *In terms of UK GAAP, Iceland amortises goodwill of £1.5 billion over 20 years*

(4) *FY2015 net finance charges include refinancing costs of £53.8 million associated with the July 2014 debt refinance (exceptional item) and £5.5 million amortisation of loan fees*

Investment portfolio (continued)

Iceland

Summarised cash flow statement £'m	Audited 2017	Audited 2016	Audited 2015	Audited 2014	Audited 2013
Cash flow from operations [1]	195	149	189	196	234
% EBITDA	*121.9%*	*99.1%*	*126.0%*	*97.0%*	*103.5%*
Capital expenditure	(65)	[2](62)	(29)	(49)	(37)
Operating cash flow post capex	130	87	160	147	197
% EBITDA	*81.2%*	*57.8%*	*106.7%*	*72.8%*	*87.2%*
Taxation paid	(26)	(21)	(19)	(27)	(32)
Interest paid	(47)	(49)	(40)	(33)	(48)
Operating cash flow post capex, tax and interest	57	17	101	87	117
% EBITDA	*35.6%*	*11.3%*	*67.3%*	*43.1%*	*51.8%*

Summarised balance sheet *(March year-end. Results in £'m)*	Audited 2017	Audited 2016	Audited 2015	Audited 2014	Audited 2013
Total Assets	**1 723**	**1 743**	**1 798**	**1 874**	**1 891**
Property and equipment	193	178	165	174	166
Intangibles [2]	1 142	1 209	1 271	1 346	1 421
Current assets	195	191	198	202	176
Cash	193	165	164	152	128
Total Liabilities	**1 405**	**1 405**	**1 426**	**1 436**	**1 456**
Trade creditors	424	372	387	345	316
Current liabilities	101	117	109	69	65
Debt	868	897	912	1 003	1 050
Other	12	19	18	19	25
Shareholders equity	**318**	**338**	**372**	**438**	**435**

(1) *FY2017 and FY2015 cash flow from operations benefitted from the timing of supplier payments*

(2) *Intangibles primarily comprises goodwill, which under UK GAAP is amortised over 20 years*

Brait valuation of its investment in Iceland

	Audited 31-Mar-16 £'m	Unaudited 30-Sep-16 £'m	Audited 31-Mar-17 £'m
Maintainable EBITDA	150.5	153.3	160.0
EBITDA multiple [(1)]	8.8x	9.4x	9.0x
Enterprise value	**1 324.4**	**1 440.6**	**1 440.0**
Less: net debt	**(731.3)**	**(687.5)**	**(675.1)**
Equity value of Iceland Foods	**593.1**	**753.1**	**764.9**
Brait's shareholding in Iceland Foods [(2)]	**57.1%**	**57.1%**	**57.1%**
Carrying value (GBP'm) for Brait's investment in Iceland Foods	**338.7**	**430.0**	**436.8**
Closing GBP/ZAR Exchange rate	R21.21	R17.82	R16.87
Brait's carrying value (ZAR'm) for its investment in Iceland Foods	**R7 181**	**R7 660**	**R7 367**
Carrying value (GBP'm) translated into ZAR'm using acquisition blended exchange rate of R18.51	R6 269	R7 959	R8 085
Impact on carrying value from GBP/ZAR exchange rate movement	R912	(R299)	(R718)

[(1)] *The March 2017 valuation multiple used of 9.0x represents a 19% discount to the peer average trailing three year EBITDA multiple of 11.1x, and a 20% discount to the peer average spot EBITDA multiple of 11.3x*

[(2)] *Following a company buyback of ordinary shares on 21 April 2017, Brait's shareholding in Iceland Foods increases to 60.1%*

NEW LOOK

11.4 New Look

Transaction overview

Date of acquisition	26 June 2015
Total investment to date	£783 million (R14 407 million)
Entry multiple	9.0x
Current carrying value	£419 million (R7 066 million)
Current economic equity interest held	81.0 %

Business overview

- **Founded in 1969, New Look has grown from a single store to become a dynamic, international retail brand**
  - Unique value fashion offering in apparel, footwear and accessories for women, men and teenage girls
  - 872 stores across the globe in 20 countries (FY2016: 838)
  - 592 UK stores (FY2016: 575)
  - Successful across a range of locations : shopping centres, prime high street and local markets
- **A leading UK based fast fashion value retailer with a strong international presence**
  - No. 2 for womenswear in the UK with 5.8% market share (FY2016: 6.1% [1])
  - UK's largest total womenswear retailer for under 35's by value [1]
  - Distinctive brand positioning maximising customer appeal
- **Fast growing multichannel operation**
  - Top 5 in the UK online womenswear market [2]
- **Flexible, fast fashion supply chain**
  - Strong relationships based on 40+ year experience
  - Directly operated, highly automated distribution centre in Stoke on Trent
- **Penetrating strategic international markets through targeted approach**
  - Key markets are China, France, Poland and Germany

(1) *Based on Kantar Worldpanel published data Total womenswear by value 52 weeks to 12 March 2017, (PY: 52 weeks to 13 March 2016)*
(2) *Based on Kantar Worldpanel published data Total womenswear online by value 52 weeks to 12 March 2017, (PY: 52 weeks to 13 March 2016)*

NEW LOOK

Investment thesis

Attractions	Demonstrated through
Alignment	• Brait is the controlling shareholder alongside management and the founder
Management team	• Experienced, aligned and proven team
Market leader	• Strong brand awareness in particular amongst women in the UK • No. 2 UK overall womenswear [(1)]; No. 1 UK under 35 womenswear [(1)]
Clear strategy	• Focussed strategy with multiple growth drivers
Well positioned	• Fast fashion operating model: average lead time just 13 weeks…for certain products it's just 2 weeks • Established UK footprint well positioned in the higher growth value segment of the apparel and accessories market • Solid brand, well developed multichannel offering via traditional stores and fast growing e-commerce platform • Well-invested infrastructure and systems
Cash flow generative	• Solid cash flow generation to be used to deleverage and to fund growth • Group capex tightly controlled and focussed on supporting key strategic growth drivers

[(1)] *Based on Kantar WorldPanel published data Total womenswear by value 52 weeks to 12 March 2017*

Investment portfolio (continued)

Focussed strategy for growth

Brand

International Expansion

Multichannel

Product Development

Menswear

Gross Profit Margin Rate

For information on New Look, including commentary on the latest results, please refer to Brait's 2017 audited results presentation booklet at www.brait.com

Summarised financial results

NEW LOOK

Summarised income statement (Audited March results in £'m)	FY2017 Audited	FY2016 Audited	[1] FY2015 Audited	[2] FY2014 Restated
Revenue	**1 455**	**1 491**	**1 415**	**1 368**
% growth	*(2.4%)*	*5.4%*	*3.4%*	*2.9%*
Gross profit	**747**	**785**	**746**	**722**
% margin	*51.3%*	*52.7%*	*52.7%*	*52.8%*
EBITDA	**155**	**227**	**212**	**204**
% margin	*10.7%*	*15.2%*	*15.0%*	*14.9%*
Depreciation and amortisation	(57)	(53)	(59)	(63)
Other non-operating items [3]	(22)	(40)	(4)	(4)
EBIT	**76**	**134**	**149**	**137**
% margin	*5.3%*	*9.0%*	*10.5%*	*10.0%*
Net interest expense [4,5]	(93)	(169)	(98)	(116)
EBT [7]	**(17)**	**(35)**	**51**	**21**
% margin	*(1.1%)*	*(2.3%)*	*3.6%*	*1.5%*
Tax	(3)	1	(2)	(7)
PAT	**(20)**	**(34)**	**49**	**14**
% margin	*(1.4%)*	*(2.3%)*	*3.5%*	*1.0%*

(1) *Continuing operations shown for FY2015*

(2) *Restated to reflect the divestment of Mim which took place during FY2015*

(3) *FY2017 includes £13.0 million (FY2016: £10.0 million) share based payments expense in relation to management's performance based sweet equity. FY2016 includes £27.3 million costs associated with the acquisition by Brait*

(4) *FY2017 includes £79 million net interest expense, £3 million gain on repurchase of Bonds and £17 million related to the revaluation of the Euro FRN and capitalised fees. FY2016 net interest expense reflects a £71 million increase on FY2015. £67 million thereof relates to (i) the £56 million net exceptional finance costs consisting primarily of prepayment premiums due to the June 2015 refinancing; and (ii) the £11 million accelerated amortisation of previously capitalised debt issuance costs*

(5) *Figures stated represent the net interest expense amounts per New Look Retail Group's (operating company) audited financial results. The 10% fixed rate interest on shareholder funding, which sits at the New Look holding company level, is therefore not reflected. Brait's valuation of New Look however takes full consideration of this shareholder funding, including accrued interest to Brait's reporting date*

NEW LOOK

Summarised cash flow statement (£'m) (Audited March results in £'m)	FY2017 Audited	FY2016 Audited	(1) FY2015 Audited	(2) FY2014 Restated
Cash flow from operations	**116**	**228**	**193**	**178**
% EBITDA	*74.5%*	*100.5%*	*91.0%*	*87.3%*
Capital expenditure	(73)	(72)	(60)	(49)
Operating cash flow post capex	**43**	**156**	**133**	**129**
% EBITDA	*27.4%*	*68.7%*	*62.7%*	*63.2%*
Tax refunded/(paid)	2	(11)	(10)	(5)
Net interest paid	(80)	(83)	(70)	(48)
Refinancing fees paid	–	(54)	–	–
Operating cash flow post capex, tax and interest	**(35)**	**8**	**53**	**76**
% EBITDA	*(23.0%)*	*3.5%*	*25.0%*	*37.3%*

Summarised balance sheet (Audited March results in £'m)	FY2017 Audited	FY2016 Audited	FY2015 Audited	FY2014 Audited
Total Assets	**1 291**	**1 306**	**1 262**	**1 221**
Non-current assets (3)	948	910	879	907
Inventory	159	148	148	138
Other current assets	111	113	108	65
Cash	73	135	127	111
Total Liabilities	**1 621**	**1 616**	**1 575**	**1 613**
Current liabilities	276	280	268	286
Financial liabilities (4,5)	1 218	1 208	1 165	1 157
Other non-current liabilities	127	128	142	170
Net liabilities	**(330)**	**(310)**	**(313)**	**(392)**

(1) *Continuing operations shown for FY2015*
(2) *FY2014 restated to reflect the divestment of Mim which took place during FY2015*
(3) *Largely property, plant and equipment and intangible assets*
(4) *Term debt (noting that accrued interest thereon is included in current liabilities)*
(5) *Figures as per New Look Retail Group's (operating company) audited financial results. The shareholder funding, which sits at the New Look holding company level, is therefore not reflected. Brait's valuation of New Look however takes full consideration of this shareholder funding, including accrued interest to Brait's reporting date*

Brait valuation of its investment in New Look

		Audited 31-Mar-16 £'m	Unaudited 30-Sept-16 £'m	Audited 31-Mar-17 £'m
Maintainable EBITDA		227	202.6	155.0
EV/EBITDA multiple [(1)]		13.3x	11.3x	10.3x
Enterprise value		**3 021.8**	**2 289.4**	**1 596.5**
Less: net third party debt		(1 082.8)	(1 099.7)	(1 136.2)
Shareholder value		**1 939.0**	**1 189.7**	**460.3**
Less: shareholder funding [(2)]		**(934.1)**	**(980.6)**	**(1 017.7)**
Equity value/(impairment to value of shareholder funding)		**1 004.1**	**209.1**	**(557.4)**
Brait's effective equity value participation % [(3)] [(4)]		**79.9%**	**79.9%**	**81.0%**
Carrying value (GBP'm) for Brait's share of equity value	A	**802.3**	**167.0**	**–**
Shareholder funding at valuation date		**934.1**	**980.6**	**1 017.7**
Less: impairment		–	–	(557.4)
Resulting shareholder funding value		**934.1**	**980.6**	**460.3**
Brait's shareholder funding participation % [(4)]		**90.1%**	**90.2%**	**91.0%**
Carrying value (GBP'm) for Brait's share of shareholder funding	B	**842.0**	**884.2**	**418.9**
Carrying value (GBP'm) for Brait's investment in New Look [(5)]	(sum of A and B)	**1 644.3**	**1 051.2**	**418.9**
Closing GBP/ZAR exchange rate		R21.21	R17.82	R16.87
Carrying value (ZAR'm) for Brait's investment in New Look		**R34 869**	**R18 726**	**R7 066**
Carrying value (GBP'm) translated into ZAR'm using acquisition exchange rate of R18.39		R30 239	R19 331	R7 704
Impact on carrying value from GBP/ZAR exchange rate movement		R4 630	(R604)	(R638)

(1) *The March 2017 valuation multiple used of 10.3x represents 29% discount to the peer average trailing three year EBITDA multiple of 14.4x, and a 21% discount to the peer average spot EBITDA multiple of 13.0x*

(2) *GBP denominated shareholder funding bears interest at a fixed rate of 10%, is unsecured, with no fixed repayment terms and matures on 25 June 2025. Total shown includes accrued interest to valuation date*

(3) *Brait announced on 26 June 2015 the completion of the acquisition of c.90% of New Look. During September 2015, further classes of non-voting share capital (sweet equity) were issued to the New Look management team subject to vesting over a 4 year term. The valuation at reporting date reflects the full dilution to Brait's economic interest in the equity value of New Look*

(4) *The increase in participation % over the year is a function of buybacks by the company and/or shareholders from departed New Look management team members*

(5) *Brait has entered into a series of put option agreements with the New Look management team, based on Brait's fair value of New Look at the exercise date and as a result do not expose Brait to fair value risk*

11.5 OTHER INVESTMENTS

The Other investments portfolio on Brait's balance sheet comprises DGB and Brait's remaining private equity fund investments:

DGB

- Leading South African producer and exporter of local wine and importer of international spirit brands
- Formally founded in 1990, although its winemaking history extends over 300 years
- Headquartered in Midrand, Johannesburg. Production facilities in the Western Cape (Wellington and Franschhoek)
- Largest corporate employer in the Wellington area, employing 457 staff
- State of the art production, bottling, storage and warehousing facilities
- Commissioned of a new craft brewery in Gauteng during May 2016
- 26 company owned wine brands, 5 agency wine brands
- 13 company owned spirit brands, 23 agency spirit and allied beverage brands
- Extensive distribution network with 16 national depots ensuring good coverage across SA
- Logistics platform to drive growth into new brands
- Entrepreneurial management team
- SA agent for all Bacardi products

Brait's effective c.10% interest in Brait IV; carrying value largely attributable to:

- Consol – largest manufacturer of glass packaging products on the African continent
- Primedia – a leading South African media group

Consol

- Headquartered in Johannesburg, Consol employs around 2 100 staff
- Consol is the largest manufacturer of glass packaging products on the African continent
- Operates 6 manufacturing sites, which comprise 13 furnaces and 33 production lines which are strategically located in close proximity to its customers
- Principal supplier to all leading beverage and food companies in South Africa
- Owns the #2 glass producer in Nigeria, the #1 glass producer in Kenya and recently announced a Greenfields opportunity in Ethiopia
- Manufactures and markets an extensive range of standard and premium glass packaging products in a variety of shapes, sizes, colours and weights

Primedia

- Headquartered in Johannesburg, Primedia employs around 2 800 staff
- Primedia is a leading African focussed media and advertising group targeting LSM 7 – 10 consumers
- With a broad portfolio of media and entertainment assets, Primedia spans a range of advertising opportunities, including radio stations, out of home media and digital platforms
- Primedia also owns South Africa's largest cinema chain, a theatrical content and electronic games distribution business
- Primedia has established a presence in several key African markets, including Nigeria, Zambia, Swaziland, Namibia, Mozambique, Lesotho, Botswana and Zimbabwe

Notes

Notes


GOVERNANCE

12 Stakeholder engagement

SHAREHOLDERS

Brait places a high premium on the quality of its relationships with its individual and institutional shareholders. The Company has a policy of active communication with its shareholders. All shareholders receive a copy of the Group's Integrated Annual Report as well as having an open invitation to the Group's presentation of its annual and interim results as advertised on its website. The Group is committed to regular dialogue and transparency in its relations with shareholders, and provides individual shareholders with regular and interactive information.

The Brait website, www.brait.com, provides a helpful source of information about the Group and facilitates access to the portfolio investment websites. Its practical structure allows quick access to information on the Group, its activities, latest news and the Brait share price. The site also provides access to all the Group's main publications such as annual and interim reports, press releases and information letters to shareholders.

All shareholders are invited to the Company's annual general meeting (AGM) which is held in July each year in Malta. Shareholders who cannot attend are allowed to vote in absentia through proxies. Agendas and resolutions for the AGM are communicated at least 21 days before the meeting. Any shareholder holding at least 5% of the Company's shares may submit proposals to the Board concerning the agenda for the AGM, provided that this should reach the Board at least two months prior to the meeting. The Chairman undertakes to respond to questions asked at the AGM except where the answer might seriously harm the Group, its shareholders or its personnel. Brait posts the results of votes and the minutes of the AGM on its website and on the Luxembourg Stock Exchange (LuxSE) and the JSE Stock Exchange News Service (SENS) soon after each meeting.

Key stakeholders are identified as groups or individuals with an interest in what we do or the ability to influence our activities. Mutual trust and understanding with all of our stakeholders is essential and we seek to ensure that our interactions are continuous and effective.

Stakeholder	Type of interaction	Discussion items
Shareholders and analysts	Annual General Meetings One-on-one meetings with analysts and investors Investor conferences and road shows Announcements through the LuxSE and JSE Quarterly trading updates Interim and final results presentations Group website Integrated Annual Report *Ad hoc* communications and addressing investor and analyst queries	Group NAV and performance portfolio investment performance Investment process Dividend policy Share price performance Future prospects
Portfolio investments	Representation on boards, audit and risk committees Attending executive team meetings Attending planning/strategy sessions Site visits	Financial performance Budgets and strategies Remuneration Health and safety Succession planning Risk management Corporate finance matters (funding and deal activity)
Funding providers	Regular meetings with bankers post trading updates ensure an informed understanding of the Group and investment portfolio	Group NAV and performance Future prospects Portfolio investment performance
Authorities and regulators	Directors in the jurisdictions the Group operates in lead the engagement process with respective authorities and regulators	Compliance requirements
Community	Brait Foundation Portfolio investment initiatives	Social responsibility investment initiatives

The Board is committed to business integrity, transparency and sustainability in all its activities to ensure that all the entities within the Group are managed ethically and responsibly

The current members of the Brait SE board are as follows:

13.1 BOARD PROFILE

Phillip Jabulani Moleketi (59)*
Independent Non-Executive Chairman
Date appointed: 7 September 2009
Qualifications: Advanced Management Programme (Harvard Business School in Boston), MSc (Financial Economics), post-graduate diploma in Economic Principles

Mr Moleketi is the Non-Executive Chairman of Brait as well as the Development Bank of Southern Africa (DBSA). He was Deputy Minister of Finance (South Africa) from 2004 to 2008. During his tenure as Deputy Minister of Finance he was the chairperson of the Public Investment Corporation

He is currently a non-executive director of several companies in the financial services sector which include DBSA and MMI Holdings. In addition, he serves on the board of Vodacom, in the telecommunications sector and is the current chairperson of Harith Fund Management Company, which invests in infrastructure projects on the African Continent.

Alan Steven Jacobs (55)†
Independent Non-Executive Director
Date appointed: 19 February 2015
Qualifications: MA (Cantab)

Mr Jacobs is a British national based in London, United Kingdom. He is a solicitor of the Senior Courts of England and Wales and investment banker by training, and is the founder and director of Jacobs Capital, a corporate finance and investment firm. He is a former Managing Director of Citigroup and J Henry Schroder Wagg & Co. Limited, and serves as a non-executive director on several boards of companies, including Iceland Foods and Virgin Active. He has extensive investment and advisory experience in the European retail, consumer, luxury goods and property sectors.

John Chester Botts (76)^ CBE
Independent Non-Executive Director
Date appointed: 29 January 2016
Qualifications: BA (Williams)

John is senior advisor in the London office of investment firm Allen & Company, senior advisor to Corsair Capital and non-executive chairman of Euromoney Institutional Investor plc; formerly non-executive chairman of United Business plc. In 1987 he founded the investment banking and investment firm, Botts & Company Ltd, in conjunction with Allen & Company. Previously CEO of Citicorp's investment bank in Europe, Middle East and Africa and chairman of Citicorp´s Venture Capital Investment Committee. He has extensive investment banking and private equity experience. Awarded an Honorary CBE for contribution to the arts in the United Kingdom.

Nationality
** South African*
‡ Dutch
† British
^ American

Dr Lawrence Leon Porter (65)†
Independent Non-Executive Director
Date appointed: 28 May 2013
Qualifications: BA, BSc, DPhil (Oxon), Fellow of the British Computer Society, Chartered Information Technology Professional

After a period of research in Experimental Psychology, Dr Porter was with IBM Corporation for twenty five years where he held various positions in Senior Management and as a Senior Consultant in Research and Development. He was a Technical Staff Member and an IBM Master Inventor. He holds numerous US patents in the field of Information Technology. He resides in Malta.

Christopher Stefan Seabrooke (64)*
Independent Non-Executive Director
Date appointed: 19 June 2009
Qualifications: BCom, BAcc, MBA, FCMA

Mr. Seabrooke has been a director of over 25 stock exchange listed companies over the years. He is currently CEO of Sabvest Limited, Chairman of Metrofile Holdings Limited, Net1 UEPS Technologies Inc, Torre Industries Limited and Transaction Capital Limited, Deputy Chairman of Massmart Holdings Limited and a director of Datatec Limited and Rolfes Holdings Limited. He is a former Chairman of The South African State Theatre and former Deputy Chairman of the inaugural National Arts Council of South Africa.

Hermanus Roelof Willem Troskie (47)‡
Independent Non-Executive Director
Date appointed: 27 July 2005
Qualifications: BJuris, LLB, LLM

Mr Troskie is the Managing Director – Private Clients at Maitland, a Global advisory and administration firm. Mr Troskie is based in Luxembourg and has extensive experience in the areas of cross-border financing and capital markets, with a particular interest in integrated structuring for entrepreneurs and their businesses. Mr Troskie is a non-executive director of a number of public and private companies, including Tradehold Limited and Ardagh Group S.A. He is a solicitor of the Senior Courts of England and Wales, and a guest lecturer at the University of Luxembourg.

Dr Christoffel Hendrik Wiese (75) *
Non-Executive Director
Date appointed: 04 May 2011
Qualifications: BA LLB, DCom (hc) University of Stellenbosch, South Africa, Doctor of Technology in Marketing (hc), Cape Peninsula University of Technology, D.Comm (Bus.Management)(h.c.) Nkhoma University of Malawi

Dr Wiese is the chairman of Pepkor Holdings (Pty) Limited and Shoprite Holdings Limited. He holds significant interests in Brait SE, Steinhoff International Holdings Limited, Tradehold Limited and Invicta Holdings Limited.

Formerly chairman of the Industrial Corporation of SA and past director of amongst others: the SA Reserve Bank, Sasol Limited, Santam Limited, Primedia Holdings (Pty) Limited, KWV Holdings Limited and PSG. During 2015 he was awarded lifetime achievement honours at the Sunday Times Top 100 Companies Awards and the All Africa Business Leaders Awards as well as being inducted into the World Retail Hall of Fame.

The Board has the format of a European style investment vehicle, which is made up exclusively of non-executive directors that oversee the Group's strategy and investment management function

13.2 GOVERNANCE STRUCTURES

Principles

Good corporate governance is integral to Brait and incorporates sound business principles and best practice. The Board recognises the need to conduct the business with integrity and according to generally accepted and best international corporate practices. While compliance with formal standards is important, emphasis is placed on effectiveness, particularly in relation to the business of Brait, with substance prevailing over form.

Matters reserved for the Board include:

- Approval of the Group's overall strategy, five year plans and annual operating budget;
- Approval of the Group's half-yearly and annual financial statements and changes in the Group's accounting policies or practices;
- Approval of statements and announcements released on the website of the Luxembourg Stock Exchange and on the Stock Exchange News Service of the JSE Limited;
- Approval of changes relating to the capital structure of the Group or its regulated status;
- Approval of the appointment and removal of the Corporate Advisors, including an annual review of their performance and compliance with the advisory agreements;
- Approval of major changes in the nature of business operations or investment policy;
- Approval of investments and divestments;
- Approval of portfolio company valuations at each reporting date as recommended by the Audit and Risk Committee;
- Regular reviews of the performance and plans for each portfolio company;
- Approval of share buyback program & bonus share issue / cash dividend policy and declarations;
- Regular reviews of the Group capital structure and efficiency;
- Review of the adequacy of internal control systems, including those operated by independent service providers; and
- Appointments to the Board and determination of terms of appointment of directors.

Policies and objectives

The Board is structured as a European style investment vehicle which is made up exclusively of non-executive directors whose primary responsibility is to set, and regularly monitor compliance with, the Group's strategy and investment management functions. In line with this structure, the Board has mandated its wholly owned subsidiary office Brait Mauritius Limited (BML) to execute these functions. BML has engaged independent corporate advisors Brait South Africa Proprietary Limited and Brait Advisory Services UK Limited (Corporate Advisors) to assist it in discharging these responsibilities.

Compliance, legislation and regulation

As a provider of financial services, Brait operates in highly regulated environments. Accordingly, regulatory and legislative compliance over the conduct of business, as well as maintaining good working relationships with the regulators in the various jurisdictions the Group has operations, are of utmost importance to the Group.

Responsibility for compliance oversight falls within the Group's risk management framework and functions independently, with a direct reporting line to the Chairman of the Audit and Risk Committee.

On 3 July 2016, Regulations (EU) No 596/214 of the European Parliament and of the Council of 16 April 2014 on market abuse ("MAR") came into effect. By virtue of its listing on the Euro MTF market of the Luxumbourg Stock Exchange, the Company is subject to the provisions of MAR. The MAR imposes three main obligations on issuers:

- control and disclosure of inside information;
- establishment and maintenance of insider lists; and
- notifications of mangers' transactions and related trading restrictions during closed periods

Risk management and internal control

Whilst the responsibility for the Group's risk management, including its systems of internal financial and operational control is that of the Board, this is specifically monitored by the Audit and Risk Committee. The foundation for the Group's internal control process is found in its governance principles, which incorporate ethical behaviour, compliance with legislation and sound accounting practice.

The control systems include clearly defined lines of accountability and delegation of authority, and provide for full reporting and analysis against approved budgets. The Board is responsible for determining the adequacy, extent and operation of these systems. In this regard, the Board is of the opinion that Brait's existing systems provide reasonable assurance that its assets are protected against material loss or unauthorised use and transactions are properly authorised and documented.

Brait has representation on the boards of its portfolio companies. This includes representation on the various board committees, including audit and risk, remuneration and nomination committees.

The management of risks is detailed on pages 63 to 69 of this Integrated Annual Report.

External and Internal audit

The Group's external auditor is Deloitte Audit Limited. Their independence is recognised and reviewed by the Audit and Risk Committee on a regular basis. The Audit and Risk Committee meets with the external auditor to review their scope, budgets and other matters arising. The external auditor participates in the Audit and Risk Committee meetings and has unrestricted access to the Chairman of the Audit and Risk Committee.

KPMG provides internal audit services to Brait. The Group's internal audit function operates in accordance with the Internal Audit Charter, which is in line with the requirements of the Institute of Internal Auditors. The Charter formally defines the purpose, authority and responsibility of the internal audit function, and is approved by the Audit and Risk Committee. The internal audit function reports directly to the Chairman of the Audit and Risk Committee and has full and unrestricted access to the Chairman of the Board.

All business and support units, including significant enterprise-wide related processes, are subject to regular internal audit reviews. Material or significant control weaknesses and planned corrective action by BML are reported to the Audit and Risk Committee. These issues are monitored to ensure that agreed corrective action has been implemented. The internal audit function is risk rather than compliance based and conducts an annual formal enterprise-wide risk assessment, based on inherent risk and the Board's assessment of residual risk. A comprehensive risk-based annual audit plan is derived from this assessment, which identifies areas of focus based on the relative degree of the inherent risks identified during this process. The annual audit plan is approved by the Audit and Risk Committee and is regularly reviewed to ensure that it remains relevant given any changes to Brait's business and the operating environment within the Group. Any changes to the audit plan are approved by the Audit and Risk Committee.

The internal audit plan includes a review of the Corporate Advisors' compliance with the services agreement as authorised by the Audit and Risk Committee.

The portfolio investment companies have separate reporting processes for their internal and external auditors. Brait is represented on all portfolio company audit and risk committees. These Brait representatives provide regular feedback to the Brait Audit and Risk Committee on any material matters raised at the portfolio company.

Business integrity and conduct

The Group subscribes to a corporate ethos which requires the adoption of highest personal ethical standards in dealing with all stakeholders in the conduct of the Group's affairs. The principles to which each individual subscribes include integrity, openness, accountability, impartiality and honesty and are embedded in the Code of Conduct.

Brait maintains a zero-tolerance approach to unethical or dishonest behaviour. The Board believes that there has been no material non-adherence to these principles during the year under review.

In accordance with Brait's policies, no donations were made to any political parties, by any of the companies within the Group, during the year under review.

The environment, health and safety

While Brait's direct activities do not pose any significant threat to the environment in which it operates, Brait continues to strive to be carbon neutral and seeks to invest in businesses which conform to environment standards.

Board of directors

Corporate Governance Charter

Board confirms compliance with all ten principles of the Corporate Governance Charter

On 4 May 2011 Brait adopted a European style investment committee Board which is 100% non-executive. The Board is a headed by an independent non-executive Chairman. The Board retains the main authority and function of overseeing the Company's strategy and investment management functions, including making the final decision on all investment related activities.

Brait is governed by its Corporate Governance Charter which describes the duties and responsibilities of the Board and its committees. The Corporate Governance Charter is based on the Ten Principles of Corporate Governance of the Luxembourg Stock Exchange, which read as follows:

1. Corporate governance framework
   The Company will adopt a clear and transparent corporate governance framework for which it will provide adequate disclosure.

2. The Board of director's remit
   The Board will be responsible for the management of the Company. As a collective body, it will act in the corporate interest and will serve all the shareholders by ensuring the long-term success of the Company.

3. Composition of the Board and of the special committees
   The Board will be composed of competent, honest, and qualified persons. Their choice will take account of the specific features of the Company. The Board will establish the special committees necessary for the proper execution of its remit.

4. Appointment of directors
   The Company will establish a formal procedure for the appointment of directors.

5. Conflicts of interest and business ethic rules
   The directors will show integrity and commitment. Each will represent the shareholders as a whole and will make decisions solely in the Company's interest and independently of any conflict of interest.

6. Evaluation of the performance of the Board
   The Board will assess regularly its operating methods and evaluate its performance and its relationship with its subsidiary office, BML.

7. Management structure
   The Board will set up the management structure for the Group and clearly define the assignment and duties of such structure and delegate the powers for the proper discharge of these assignments and duties to the latter.

8. Remuneration policy
   The Company will secure the services of qualified directors by means of a fair remuneration policy that is compatible with the long-term interests of the Company.

9. Financial reporting, internal control and risk management
   The Board will establish strict rules, designed to protect the company's interests, in the areas of financial reporting, internal control and risk management.

10. Shareholders
    The Company will respect the rights of its shareholders and ensure they receive equitable treatment. The Company will establish a policy of active communication with the shareholders.

Power and duties of the Board

The Board has full power to perform all such acts as are necessary or useful to further the objects of the Group.

To carry out its responsibilities regarding strategy and general policy, the Board:

- Is responsible for approving group strategy, setting the accepting level of risk for the Company, together with key policies, and should prepare (or cause to be prepared) the annual financial statements, budgets and periodic accounts;
- Has the widest power to carry out any acts of management or of disposition that shall interest the Company. All that is not expressly reserved for the shareholders in general meeting by law or by the Company's Articles of Association is intra vires the Board;
- Defines and delegates specific responsibility to the Group's contracted advisors;
- Ensures that its obligations towards its shareholders are understood and met, and reports to the shareholders on how it has fulfilled its responsibilities; and
- Gives proper consideration to its Code of Conduct which is circulated to all staff and advisory providers.

Appointment of directors

Even though, in terms of the Articles, the directors' terms of office may be for a period of up to six years from the date of appointment, the term of office of the current directors expires at the forthcoming AGM and they shall all be nominated for re-election for a period expiring at next year's AGM.

All directors must be willing and able to fulfil their duties. Before each meeting, each director receives a Board pack with supporting information on all key decisions to be made. All directors are expected to engage in constructive and critical discussion of the strategy and key policies to ensure no single director or group of directors dominates decision-making.

The Board elects a Chairman whose principal function is to preside over meetings of the Board and ensure optimal decision-making and good governance. His duties include the following:

- The appointment, monitoring and evaluation of the Board and directors;
- Determining, with input from other directors, an annual plan for the Board; and
- Ensuring that all directors play a constructive role and initiating their removal if they do not play a constructive role.

Skills and training of directors

Directors are elected on the basis of their abilities and the contribution they can make to the administration of the Company. Criteria for selection include the following:

- Entrepreneurial flair;
- Strategic, analytical and communication skills;
- An ability to appreciate the wider business perspective;

- Honesty and integrity in personal and business dealings;
- Readiness to objectively challenge and critique in the best interests of the Company;
- Willingness to commit to good governance; and
- Does not have any conflict of interest with the Company and maintains his/her independence from the Company.

In order to acquire a thorough understanding of the Group, directors undertake an induction process which includes visiting the operations of the Group's investment companies; familiarisation with the functions of the Company, Board and various committees as well as an introduction to the internal and external auditors and Advisory and Service providers.

Directors have ongoing education to keep them abreast of relevant legislation and regulatory changes in order to be able to make effective decisions.

Evaluation of the performance of the Board

The Chairman is responsible for the Board's self-evaluation process. This includes an assessment of the balance of skills, experience and knowledge of the Board members. A similar evaluation is carried out by each committee of the Board. In addition to the self-assessment process, the evaluation of the Audit and Risk Committee includes comments and assessments of the committee members' performance from external audit, internal audit, BML and the Corporate Advisors.

The results of the above assessments continue to show a high degree of satisfaction with the operation of the Board and its committees. In the current year, the Treasury Committee has been formalised to specifically deal with treasury related matters.

Evaluation of the performance of Corporate Advisors

The Audit and Risk Committee is responsible for the annual performance evaluation of the Corporate Advisors. To discharge this responsibility, the Audit and Risk Committee receives a formal assessment from BML and an independent assessment from the Group's internal auditors. These assessments evaluate performance in terms of the advisory services agreement during the five-year contract term ending 31 March 2019.

Fees paid to the Corporate Advisors are referenced to a percentage of AUM, calculated in arrears on a quarterly basis. No performance fees are levied. The Group targets a ratio of operating expenses to AUM of less than 0.85%. The current year ratio of operating expenses to average AUM is 0.64% (FY2016: 0.62%). The Audit and Risk Committee regularly benchmarks the actual charge ratio against its peers.

Board meeting attendance

	Date of appointment	Number of meetings attended during the year	Attendance record
Non-executive directors			
PJ Moleketi (Chairman)	7 September 2009	5/5	100%
JC Botts	29 January 2016	5/5	100%
AS Jacobs	19 February 2015	4/5	80%
Dr LL Porter	28 May 2013	5/5	100%
CS Seabrooke	19 June 2009	5/5	100%
HRW Troskie	27 July 2005	5/5	100%
Dr CH Wiese	4 May 2011	3/5	60%

Company Secretarial Services

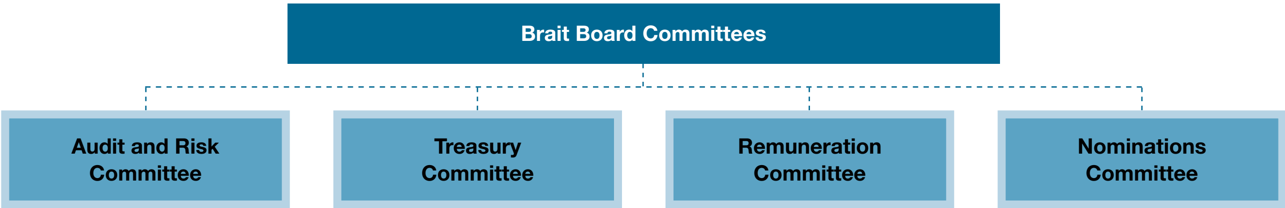
The Maitland group of companies is contracted to perform the function of the Company Secretary, listing agent, registrar and transfer agent. They are responsible for:

- Ensuring compliance with all Board procedures;
- Ensuring that the directors have access to the advice and services of the Company Secretary;
- Assisting with the director induction and training programmes;
- Assisting with the appointment of directors;
- Guiding the Board on the duties of directors and good governance;
- Ensuring that board and committee charters are kept up to date;
- Preparing and circulating Board papers; and
- Preparing and circulating minutes of Board and committee meetings.

BOARD COMMITTEES

The Company is committed to upholding the highest standards of corporate governance. The Board is responsible to shareholders for the overall management of the Group. Certain responsibilities of the Board have been delegated to Board committees to assist and enable the Board to properly discharge its duties and responsibilities. These committees comprise the Audit and Risk Committee, the Treasury Committee, the Remuneration Committee and the Nominations Committee, all of which operate under written terms of reference confirmed by the Board.

Ad hoc committees are also mandated to attend to specific business matters from time to time. The existence of these committees does not reduce the overall responsibility of the Board and, therefore, all committees must report and make recommendations to the Board. All Board committees are chaired by an independent non-executive director who is free to obtain independent external professional advice in the carrying out of their duties as and when required.



Audit and Risk Committee

The Audit and Risk Committee's primary objective is to provide the Board with additional assurance regarding the quality and reliability of the financial and risk management information used by the directors and to assist them in the discharge of their duties. The Audit and Risk Committee has a minimum of three members.

Membership and meeting attendance

	Date of appointment	Independent	Number of meetings attended during the year	Attendance record
Members				
CS Seabrooke (Chairman)	19 June 2009	Yes	3/3	100%
JC Botts	29 January 2016	Yes	3/3	100%
AS Jacobs	19 February 2015	Yes	2/3	67%
HRW Troskie	20 May 2008	Yes	3/3	100%

Responsibilities in terms of the Charter of the Audit and Risk Committee include:

- Reviewing the Group's interim and annual financial statements and changes in the Group's accounting policies or practices;
- Providing satisfaction to the Board of the effectiveness of the internal control environment of the Group. Ensuring that adequate and appropriate financial and operating controls are in place;
- Ensuring compliance with appropriate standards of governance, reporting and other regulatory requirements in all jurisdictions;
- Reviewing the scope of the external audit, audit fee budgets and any other matters;
- Reviewing the recommendations of the Company's wholly owned subsidiary Brait Mauritius Limited on the valuations of portfolio investments, including the benchmarking of those valuations in the context of prevailing market conditions;
- Evaluating the performance of the Corporate Advisors;
- Reviewing and update of the audit committee charter, internal audit charter and corporate governance charter;
- Reviewing the Group's risk assessment and mitigating factors;
- Reviewing the Group's long term debt facility covenant compliance;
- Reviewing the Group's cash flow forecast and going concern considerations;
- Reviewing the Integrated Annual Report;
- Reviewing related party services;
- Reviewing and approving internal audit, risk and compliance policies, reports and findings; and
- Ensuring that significant business, financial and other risks have been identified and are being managed.

The Audit and Risk Committee presented its conclusion on the above matters to the Board and advised the Board that it considered the Annual report and accounts, taken as a whole, to be fair, balanced and provides the information necessary for shareholders to assess the Group's performance, business model and strategy.

External and Internal audit

Issues relating to accounting, auditing, internal control and financial reporting matters are discussed with the Group's external auditors at meetings convened on a periodic basis. Both the internal and external auditors are afforded unrestricted access to the Audit and Risk Committee (ensuring that their independence is maintained at all times).

The internal and external auditors meet privately with and have unrestricted access to the Audit and Risk Committee, ensuring that their independence is maintained at all times.

The Audit and Risk Committee monitors the Company's policy for non-audit services to ensure that the provision of such services by the external auditors does not impair the auditors' independence or objectivity. In order to safeguard the auditor's independence and objectivity, the Audit and Risk Committee is required to approve all non-audit work undertaken by the auditor, for the Company and its subsidiaries in advance.

Treasury Committee

During the current year the Board established a Treasury Committee to specifically focus on treasury related matters. The Treasury Committee has a minimum of three members.

Membership and meeting attendance

	Date of appointment	Independent	Number of meetings attended during the year	Attendance record
Members				
JC Botts (Chairman)	23 February 2016	Yes	3/3	100%
AS Jacobs	23 February 2016	Yes	3/3	100%
CS Seabrooke	23 February 2016	Yes	2/3	67%
HRW Troskie	23 February 2016	Yes	3/3	100%

Responsibilities in terms of the Charter of the Treasury Committee include:

- Reviewing the Group's capital structure, continuously exploring new pools of efficient permanent capital;
- Regular monitoring of available Group borrowing facilities and covenants;
- Regular monitoring of cash balances, currency exposures and their placement with investment grade institutions;
- Implementation of the Group's bonus share issue with cash dividend alternative programme; and
- Implementation of the Group's treasury share programme as authorised by the Board and shareholders.

Remuneration Committee

The Remuneration Committee has a charter and is primarily responsible for the remuneration strategy for the Group and meets regularly to consider annual reviews, remuneration issues, incentives and policy matters. It comprises a minimum of 3 members.

Directors fees are based on an assessment of each directors' time commitment, responsibilities, skills and experience in rendering their services on the Board as committee members.

Membership and meeting attendance

	Date of appointment	Independent	Number of meetings attended during the year	Attendance record
Members				
HRW Troskie (Chairman)	24 October 2013	Yes	1/1	100%
PJ Moleketi (Dr CH Wiese as alternate)	7 September 2009	Yes	1/1	100%
Dr LL Porter	24 October 2013	Yes	1/1	100%

Responsibilities in terms of the Charter of the Remuneration Committee include:

- Reviewing the directors' and staff remuneration based on time, responsibilities, skills and experience; and
- Reviewing the policies and remuneration for key personnel at portfolio investments to ensure adequate retention and performance that is aligned with the Group's strategy.

Non-executive directors' fees

Non-executive directors do not have service agreements. Letters of appointment confirm the terms and conditions of their service. Remuneration packages of the directors are agreed and determined by the Remuneration Committee.

	2017 Total fees [(1)] US$'000	2016 Total fees [(1)] US$'000
PJ Moleketi (Chairman)	**208**	202
JC Botts [(2)]	**96**	16
AS Jacobs	**97**	94
CD Keogh [(3)]	**–**	77
Dr LL Porter	**45**	43
CS Seabrooke	**156**	151
HRW Troskie	**96**	93
Dr CH Wiese	**176**	171
Total	**874**	847

(1) Fees paid to the chairman and directors for their services in those capacities on the Board, Board committees and other forums on behalf of the Company
(2) Appointed to the Board on 29 January 2016
(3) Resigned from the Board on 29 January 2016

Retention of key personnel

Retention of key personnel is an increasingly more complex and demanding challenge. Remuneration practices and policies are constantly reviewed to ensure they remain competitive, entrench a high performance culture across the business, and align performance and reward across the Group.

Nominations Committee

The Committee is responsible for adopting a formal and transparent procedure for the appointment of new directors, including interviewing potential candidates. Final decisions on nominations are however taken by the Board. The Nominations Committee may use the services of external search consultants when new directors are being recruited. During January 2016, the Board approved the Nominations Committee recommendation to accept the resignation of Mr CD Keogh as a non-executive director and the appointment of Mr JC Botts as his replacement with effect from 29 January 2016. The Nominations Committee comprises at least three directors.

Membership and meeting attendance

	Date of appointment	Independent	Number of meetings attended during the year	Attendance record
Members				
PJ Moleketi (Chairman) (Dr CH Wiese as alternate)	7 September 2009	Yes	1/1	100%
AS Jacobs	19 February 2015	Yes	1/1	100%
Dr LL Porter	24 October 2013	Yes	1/1	100%
HRW Troskie	24 October 2013	Yes	1/1	100%

Responsibilities in terms of the Charter of the Nominations Committee include:

- Supervise and review the affairs of the Board and committee composition;
- Recommendation of new directors; and
- Leadership and Board evaluations.

13.3 CODE OF SHARE DEALING

The Board has adopted a code for directors' dealing in ordinary shares. The Board is responsible for taking all proper and reasonable steps to ensure compliance with the code.

The Group operates strict closed periods during which no dealing is allowed in Brait shares. Written notice of closed periods are sent to all directors, employees and Corporate Advisors. Closed period notices are also circulated to key executives of the Group's major portfolio companies. The periods operate:

- Between the end of the interim and final reporting periods until the release of the Group's results;
- Between the end of the first and third quarters and the publication of a NAV trading update pertaining to that period; and
- During any period when trading under a cautionary announcement.

Directors are similarly restricted relative to any listed portfolio investments the Group may hold from time to time.

On 3 July 2016, Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (MAR) came into effect. The Group maintains a register of notified transactions. All persons are required to notify the Company Secretary in advance of any trading in any form of Company securities on any of its listed stock exchanges or trading in any derivative involving Company securities, whether listed or unlisted. In terms of the (MAR), persons discharging managerial responsibilities ("PDMR's") and closely associated persons ("CAP's") are required to inform the competent authority of any transactions involving the securities of the issuer. Transactions by PDMR's and CAP's involving Brait shares are reported to the Malta Financial Services Authority in Malta and the Commission de Surveillance du Secteur Financier in Luxembourg within 3 business days following such transaction. Such transactions are disclosed to the public in terms of the MAR by means of an announcement which is published on the Luxembourg Stock Exchange website, the Brait website as well as the SENS of the Johannesburg Stock Exchange within three business days of the transaction involving the PDMR or CAP taking place. Furthermore, details of directors' dealings in Brait shares are disclosed to the Board and to the public through its Integrated Annual Report.

Directors' dealings in Brait shares for the year under review

	Number of shares						
	Opening Balance: 31 March 2016			Net transactions during the year[1]	Closing Balance: 31 March 2017		
	Direct Beneficial	Indirect Beneficial	**Total**	Purchases/ (Sales)	Direct Beneficial	Indirect Beneficial	**Total**
PJ Moleketi	–	–	**–**	20 000	–	20 000	**20 000**
JC Botts	–	–	**–**	–	–	–	**–**
AS Jacobs	–	–	**–**	–	–	–	**–**
Dr LL Porter	–	–	**–**	–	–	–	**–**
CS Seabrooke	–	758 477	**758 477**	41 523	–	800 000	**800 000**
HRW Troskie	–	97 580	**97 580**	–	–	97 580	**97 580**
Dr CH Wiese[2]	–	180 417 416	**180 417 416**	1 400 000	–	181 817 416	**181 817 416**
Total	–	181 273 473	**181 273 473**	1 461 523	–	182 734 996	**182 734 996**

(1) Net transactions for the year include the receipt of bonus shares from the bonus share issue in August 2016.

(2) The table above is prepared in terms of the requirements of the Luxembourg Stock Exchange and does not include trades by CAP's reported to the market in terms of MAR. CAP's of Dr Wiese at 31 March 2017 holds 32 036 039 (31 March 2016: 31 956 039).

The table above is prepared in terms of the requirements of the Luxembourg Stock Exchange. Following Brait becoming subject to the provisions of MAR on 3 July 2016, trades by CAP's of directors are now reported to the market within three business days of such transaction taking place. As at 31 March 2017, CAP's of Dr Wiese hold 32 036 039 Brait shares (31 March 2016: 31 956 039).

There were no changes to the directors' interests between 31 March 2017 and the date of this report.

14 Management of risks

OVERVIEW

The Board is composed of entirely non-executive directors and has the independent investment committee function for the Group to approve all investment related decisions. The Board is charged with the responsibility for implementing and maintaining a risk management strategy governing the Group's investment function and related processes.

Risk management is the process of avoiding unacceptable losses, namely those losses that are not planned for. Risk management does not mean risk avoidance, but rather is the process of extracting optimum reward from an acceptable risk exposure whilst minimising cost. A systematic framework is designed to ensure that risk management considerations are appropriately understood, controlled and integrated into decision-making.

Best practice recommends that the purpose of a formalised risk management framework (setting out appropriate policies, controls and procedures) is to provide a set of directives and guidelines to regulate the activities of Brait and to resolve potential conflicts of interest between stakeholders. In addition, a formalised risk management framework serves as a reference for the Advisory and Service providers to understand the Board's requirements and how their own activities relate to the entire operation. Sound policies ensure that transactions are executed in accordance with the terms of the Board's authorisation and that the Advisory and Service providers actions are consistent at all times.

The Board is ultimately responsible for any financial loss or reduction in shareholder value. It is therefore responsible for recognising all risks to which Brait is exposed and ensuring that the requisite culture, practices, policies and systems are in place. To achieve this, the Board has closely defined the duties and responsibilities of the significant structural elements of Brait's risk management systems and processes on the one hand, and risk monitoring on the other.

Certain functions are delegated to the Audit and Risk Committee. See page 58.

RISK MANAGEMENT FRAMEWORK

The Brait Risk Management Framework (RMF) is depicted graphically below:

Brait – Risk management framework

The four primary objectives of Brait's RMF are:

- Strategy – high-level goals, aligned with and supporting the organisation's mission;
- Operations – effective and efficient use of resources;
- Financial reporting – reliability of operational and financial reporting; and
- Compliance – compliance with applicable laws and regulations.

The RMF contains or references to the following risk management elements:

- Risk management strategy and objectives;
- Responsibilities and delegations of authority;
- Committees responsible for the oversight and monitoring of risk;
- Risk management and control policies;
- Recruitment, training and succession planning; and
- Business continuity (continuation plans established to address disruption to normal business operations).

The individual components of the RMF are tailored for the requirements of each business function, and are directed towards each key step in Brait's risk management cycle.

RISK STRATEGY, OBJECTIVES AND APPETITE

The business planning process is conducted annually in February, setting out strategic priorities and considerations for the next financial year, as well as articulating longer term (five-year) objectives and targets in terms of inter alia performance, quality of assets, capital utilisation. This business planning process is managed contemporaneously with the annual budgeting exercise, ensuring that operational and financial goals are appropriately aligned and subjected to rigorous scrutiny, reasonability testing and scenario analysis.

As part of the risk strategy and business planning process, determination is made of:

- Capital to be placed at risk as a result of investment activities;
- Responsibility for the active management of financial risk arising from each investment;
- Policies regarding the extent of risk exposures which may be assumed; and
- Policies regarding the instruments that may be used.

Individual objectives for each investment are defined, including where relevant:

- Funding;
- Investment; and
- Hedging.

The Board has established a set of risk limits to control the extent of risk exposures arising from investment activities. The nature of the risk exposures are adequately understood and policies considered appropriate given the expertise of the investment advisors and the extent of other risk exposures.

RISK REGISTER

The risk management requirements and relevant investment and accounting processes and activities are assessed to determine their materiality and risk to the operation. This is achieved through the Risk Register, which is submitted to the Audit and Risk Committee.

The Risk Register addresses the following key components of the RMF (and the risk management cycle):

- Risk/event identification classified according to key risk areas for Brait;
- Risk assessment (involving the quantification of a severity rating);
- Risk response through mitigating factors and controls;
- Control activities (involving the assessment of the effectiveness of identified controls and mitigating factors, resulting in the quantification of the residual risk exposure); and
- Information and communication (including the identification of the risk owner).

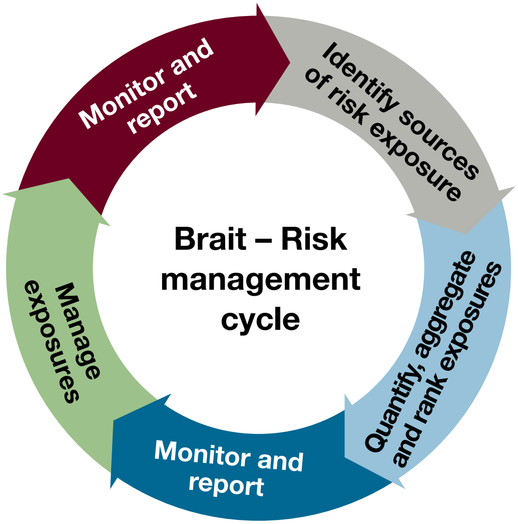
14 Management of risks (continued)

These can be depicted graphically as:

Monitoring:
- Investment regular reporting
- Compliance function reviews
- Internal and external audit reviews

Reporting:
- To Board, Audit and Risk Committee, regulators, investors

Risk management tools include:
- Independence (segregation) of key steps (measurement, management and monitoring/ reporting)
- Internal control framework
- Risk limits and delegation of authority framework
- Independent evaluation



Risk exposures identified according to following framework:
- Business model risks
- Macro-environment risks
- Stakeholder risks
- Financial risks
- Legal and regulatory risks
- Compliance risks
- Taxation risks
- Investment asset risks

Inherent risk rating = Business impact (severity rating) x likelihood (probability rating)

Residual risk = inherent risk rating – control/ mitigant effectiveness

Risk management tools include:
- Policy and procedure framework
- System and process documentation
- Security and access controls (physical and logical)
- Disaster Recovery Plan and Business Continuity Plan
- Segregation of duties
- Financial controls (including reconciliations)
- Fraud prevention

GOVERNANCE AND ORGANISATIONAL STRUCTURE AND POLICIES

- The Board serves as the investment committee for the Group and has the final say on all investment related decisions.
- Group investments are made through Brait Mauritius Limited (BML). BML is licenced as a registered investment advisor in accordance with the provisions of section 30 of the Mauritius Securities Act of 2015. BML has its own investment team. Authority has been delegated from the Board to BML to identify, evaluate and recommend to it (the Board) for final approval on any investment related decisions. BML has appointed the Corporate Advisors to assist it in discharging these responsibilities.
- The Board retains the duty to annually report to the general meeting on operations of the Group.
- The Board is specifically responsible for approving Group investment strategy and setting the acceptable level of risk together with key policies. In addition, it ensures that its obligations towards its stakeholders are understood and met, reporting to stakeholders on how it has fulfilled its responsibilities.

KEY RISKS

The Group's key business risks and responses are summarised as:

Context	Risk description and response
Group NAV	**Growth in NAV drives the Group's business model:**
	• **Underperformance by portfolio companies** o *Thorough due diligence and analytical assessments are completed by the Group on all investments considered by the Board* o *Consideration is given to appropriate gearing levels for each portfolio company based on sustainable EBITDA and cash flow conversion.* o *The Group is represented on portfolio company boards and interact frequently with their line management teams to ensure concerns are identified early, enabling preventative actions to be taken* o *Performance across the portfolio companies is regularly monitored through latest management accounts and comparisons to budget* o *The Group receives feedback on portfolio companies from BML on at least a quarterly basis* • **Exchange rate fluctuations** o *The Group continuously monitors its currency exposures taking cognisance of its long term investment horizon* • **Concentration risk** o *Investment process addresses questions of geographical/sector balance in the portfolio* o *Portfolio concentration measures are reviewed periodically by the Board* o *At a portfolio company level, deep knowledge of the operations and continual interaction with the executives mitigate concentration risk* o *The Corporate Advisors undertake a concentration review for each investment* • **Economic outlook** o *Economic outlook is continually monitored and discussed with respective management teams to ensure portfolio companies are well placed*
Liquidity	**Access to facilities is key to the Group's business model and ensuring prompt response to investment opportunities:**
	• **Insufficient capital for investments and working capital** o *The Group has available credit facilities with banks and also actively pursues alternative capital raising mechanisms* o *Strong cash flow generation is a key investment decision in the due diligence process for analysing potential portfolio company investments* o *Cash generated in excess of portfolio company's needs is monitored with a view to distribution to the Group* o *Regular interaction with the Group's bankers ensure strong working relationships across the Group and portfolio* o *Cash flow forecasts are regularly monitored across the Group* o *Covenants embedded within the banking facilities and long-term debt are monitored on an ongoing basis for compliance, and form part of the regular stress tests*

Management of risks (continued)

Context	Risk description and response
People	**Alignment is a key investment thesis for the Group and a major contributor to addressing reliance on directors/individuals**
	• **Loss of key individuals at Group level, portfolio company level and in professional advisors** o *The Remuneration and Nomination Committees review the appropriateness of the Board's membership and remuneration* o *Key management at portfolio company level are aligned with the Group's interests through sizeable shareholdings in the respective companies they work for* o *Portfolio companies have succession plans in place* o *The Group has long-term contracts with professional advisors, which include key man clauses* o *Short-term engagements include a team from the advisors and are not negotiated with any one individual*
Legislation	**The Group's ability to manage compliance with all relevant legislation across the jurisdictions it operates in:**
	• **Non-compliance with stock exchange requirements** o *The Group utilises external service providers to assist with the compliance of the various requirements for the Group's listing on the Luxembourg Stock Exchange (Group's primary listing) and Johannesburg Stock Exchange (Group's secondary listing)* o *Closed period notices are circulated to all directors, employees, Corporate Advisors and key executives of the Group's major portfolio companies when required (see 13.3 code of share dealing on page 62)* • **Non-compliance with legislation, tax and exchange controls** o *The Group has retained legal advisors in the various jurisdictions it operates in* o *Tax advisors in the various jurisdictions assist the Group identify and mitigate tax risks, including transactional and operational tax compliance, legislative changes in tax, court decisions of tax rulings and country tax risk* o *Meetings are held with Regulators and Authorised Dealers regarding exchange control rulings obtained and the impact on the Group's transactions* o *The Group monitors the businesses it invests in to commit to compliance in all its forms with anti-bribery, anti-fraud and anti-money laundering laws applicable to them*
Financial	**Effective financial controls maintenance ensures safeguarding of assets and early response to any emerging risks:**
	• **Financial risk management** o *This is fully detailed in the annual financial statements from page 114* o *The Group's internal and external audit plan covers key systems and controls on rolling basis, with findings reported to the Audit and Risk Committee* • **Portfolio company level** o *Representation on portfolio company audit and risk committees* o *Internal audit function encouraged across the portfolio*

Context	Risk description and response
Systems	**The proper alignment of IT systems which support business processes and procedures to deal with disaster recovery with the least amount of interruption:**
	• **Inadequate IT system processes and procedures to deal with disaster recovery** o *Disaster recovery plans are in place at both the Group and portfolio company level* o *Servers appropriately backed up to the Group's disaster recovery site*

The Board is comfortable with the level of combined assurance obtained from the Audit and Risk and Treasury committees, the internal and external auditors and the Corporate Advisors relative to the Group's key risks and its control environment. The Group is also reliant on the risk management operations of its portfolio companies and manages risk through representation on the portfolio companys' boards.

Nothing has come to the attention of the Board that has caused it to believe that the Group's systems of internal controls and risk management are not effective.

15 Sustainability

As a responsible corporate citizen, Brait is conscious of the fact that it operates within a broader ecosystem, both human and non-human. Brait recognises the importance of building and sustaining long-term reciprocal relationships with stakeholders. Direct stakeholders are shareholders, clients, investors, employees, suppliers, government and regulators. Indirect stakeholders include the communities in which Brait operates as well as the education fraternity, which serves as a source of future employees for the Group.

As a financial services organisation, Brait has a low impact on the environment. However, the Group is mindful of the effects of climate change and environmental degradation and continues to search and, where feasible, implement measures to mitigate the direct impact that Brait's operations may have on the environment.

Brait creates long-term shareholder value by embracing opportunities and managing risk.

Brait's commitment to sustainability includes the following:

- Implementing and maintaining sound employment practices;
- Promoting an entrepreneurial culture with well thought-out investment propositions;
- Ensuring that our footprint on an embattled planet is as light as possible;
- Commitment to sound governance principles;
- Promoting better opportunities for education; and through employment initiatives: the main thrust of the Group's corporate social investment; and
- Conducting business ethically.

CSI Programmes

Although the management teams of Brait's portfolio companies drive their individual CSI programmes, Brait has developed its own framework to responsible investment within its investment companies. The approach aims to:

- Comply with relevant regulations governing the protection of the environment, labour, occupational health and safety and business practices;
- Train its people with the identification and management of Environmental, Social and Governance (ESG) risks and opportunities and provide them with appropriate support;
- Identify ESG risks and opportunities prior to the acquisition of investment companies and manage ESG risks and opportunities following acquisition;
- Provide for the assignment of and accountability of ESG responsibilities to senior management at investment companies, where appropriate; and
- Establish appropriate ESG policies and practices for investment companies and the reporting on ESG matters.

BRAIT

- The Brait Foundation, Brait's primary CSI initiative, was established in July 2000 to provide better opportunities to previously disadvantaged communities primarily in South Africa, largely through education and specifically focussing on foundation level maths and literacy. The Foundation takes a long term view on a limited number of projects in its area of focus. Brait also supports causes in its Mauritius and Malta jurisdictions. The foundation selected the following projects for ongoing support:

NON-PROFIT ORGANISATIONS

The Tomorrow Trust

- The Tomorrow Trust is a non-profit organisation which focusses on the educational needs of orphans and vulnerable children. The Holiday School programme is one of the programmes run by the Tomorrow Trust which Brait has chosen to support. It focusses on numeracy and literacy support for primary school children outside of normal school hours. In addition, the programme provides nutritious meals and use of the Model C or private schools which have partnered with the Trust in providing access to their facilities.

COUNT

- COUNT is a non-profit organisation involved in many numeracy programmes throughout South Africa. Brait and other funders have collaborated with COUNT to support a Family Maths Programme which now extends to 22 rural primary schools in KZN (South Africa). This initiative aims to provide caregivers and family members the opportunity to play an active and vital role in helping to inspire young children to develop as mathematical thinkers and problem solvers.

Gadra

- Gadra is a well-established NGO based in the Eastern Cape. Over the past few years the stature of Gadra's education work has grown to the point where the organisation is now regarded in Grahamstown as the most competent and credible in the field. Their *"Primary Education Programme"* is aimed at improving practice in education in Grahamstown township schools with a particular focus on improving literacy levels. Brait, in conjunction with COUNT, has committed to support Gadra in a project to improve literacy in the nine Isixhosa – medium primary schools in Grahamstown.

Realema Teacher Intern Programme

- Realema was founded in 2013 by St John's College, Johannesburg and its partner school in Orange Farm, Masibambane College. Realema is a teacher intern programme that offers support to children during high school and throughout their UNISA university studies and internships. The aim is that they become well-trained and qualified teachers, who will be able to return to their communities as passionate teachers and leaders.

  The Brait Foundation has chosen to support this programme which offers holistic financial, academic and life skill support via full bursaries to selected candidates from Masibambane to study for a teacher's degree at UNISA, while gathering work experience via an internship at top schools in Johannesburg.

NON-PROFIT ORGANISATIONS (continued)

Salvazione

- Salvazione Preparatory School was started in 1991 to accommodate learners from Slovo Park informal settlement who were unable to attend the local schools due to their dire financial and personal circumstances. There are currently around 250 learners from Grade R to Grade 7 attending the school. The school is a registered independent school receiving a small subsidy form the government but is heavily reliant on external funding. The school provides a daily feeding scheme for all the learners and offers a happy and secure place for the children to thrive. In order to provide continuity for the children going into high school, Salvazione offered Grade 8 for the first time in 2016.

PORTFOLIO INVESTMENT COMPANIES

New Look

- New Look believes that Corporate Social Responsibility is all about improving the lives of workers right across its global supply chain. During the year, New Look partnered NGO's, trade unions, suppliers and other stakeholders to deliver projects in China, Bangladesh, Cambodia, Vietnam, India, Turkey and the UK. The key objectives of these projects was to: continually improve workers' lives and livelihoods; empower people in factories, improving factory management skills and systems; build trust and transparency and to make sure the New Look team and their suppliers share responsibility for delivery of our ethical trade strategy. In addition, New Look is committed to operating in a way that safeguards animal welfare and protects the environment.

  The New Look Foundation remains the key channel for charity activities and fund-raising efforts. The three year partnerships with MacMillan Cancer Support and the Teenage Cancer Trust remain in place. As well as financial support, New Look employees are encouraged to volunteer for these charities' projects and initiatives. New Look works with two grassroots organisations in India, each helping to uplift women and children out of poverty through education and training.

Virgin Active

- Virgin Active seeks to move beyond business as usual; asking itself how can we change business for good? With this in mind, it runs various CSI initiatives across its territories.

  Its core initiative is *Active Inspiration* which seeks to get young people, often in disadvantaged areas, more active and involved in sport and exercise. This has led to both health benefits and also improved academic performance at school. In South Africa, 15 schools received help and assistance from Virgin Active, meaning that over 5 500 school children are more involved in regular exercise in South Africa as a result of the programme. In the UK, Virgin Active's *Active Inspiration* programme joins up with expert partners such as the Youth Sport Trust to engage more young people in exercise.

  Virgin Active also aims to empower local suppliers and entrepreneurs in South Africa. In 2016 it created more than 50 new jobs and continued its investment of more than R10 million into the development of small to medium enterprises.

Premier

- Premier continues to be a proud sponsor of The Caring4Girls programme which has now been extended into Lesotho. The main objective of this project is to provide menstrual hygiene training and sanitary products to young girls mainly in rural communities. Lil-lets has donated more than R6 million worth of sanitary pads through this programme.

  As part of the Blue Ribbon Sandwich Experience, Blue Ribbon bread recently beat their own record in making and distributing sandwiches to NGO's around South Africa. Premier Bakeries made over 173 000 sandwiches with the help of dedicated staff and volunteers across the country. Bake for Profit, an initiative designed to teach baking and business skills, also continues to gain momentum.

  The new Manhattan mentorship programme has been designed to motivate, inspire and educate students from a school on the East Rand, through factory tour visits and mentoring by factory staff members.

  In addition, the Premier Group distributes free stock and financial support to many other charitable causes nationwide, particularly schools and community centres in underprivileged areas.

Iceland

- The Iceland Foods Charitable Foundation (http://www.ifcf.org.uk) has raised over £10 million for good causes over the last nine years. During 2015/16 it donated a total of £1.3 million to UK charities including the Children's Food Trust, NYAS (National Youth Advocacy Service), When You Wish Upon A Star, Prostate Cancer UK and DNRC (Defence & National Rehabilitation Centre).

  When the British Government introduced a compulsory charge for single-use carrier bags in England in October 2015, Iceland formed a unique coalition with other UK food retailers to raise money from carrier bag sales for the construction of a new, world class Dementia Research Institute at UCL (University College London). Iceland has also named UCL Dementia Research as the charity partner on which the fundraising efforts of its own people will be focused during 2016/17.

Iceland Foods Charitable Foundation

For people, for better

DGB

- DGB continues with its many CSI projects including the highly successful "Bamboo Community Project" which was launched as part of DGB's drive to become a carbon neutral company. The concept is to use bamboo, which is very effective in carbon neutralising, to create a sustainable and quickly renewable source of material used for the manufacturing of items usually made of wood. The programme has also been designed with the aim of enriching local communities which have high unemployment levels.

- A joint initiative between DGB and Du Toitskloof Wines has given over 1 200 primary school-children from 9 schools in the Western Cape winelands access to reading material and internet technology through the Du Toitskloof-Douglas Green Mobile Library. The library comprises c.5 000 brand-new books, specially selected for school-children between Grades 1 and 5, and a set of ten new computers with full internet access. internet access.

- DGB also sponsors the charities such as the Andrew Murray House, Sunfield Home and Warmakers Valley Training Centre.

Shareholder information

SHARE ANALYSIS

	Shareholders Number	%	Shares held Number	%
Distribution of shareholders at 31 March 2017				
Range of shareownings				
1 – 1 000	17 900	67.09	6 273 353	1.20
1 001 – 10 000	7 565	28.36	21 132 948	4.06
10 001 – 100 000	977	3.67	25 314 066	4.86
100 001 – 1 000 000	180	0.67	53 546 554	10.28
more than 1 000 000	57	0.21	414 745 253	79.60
Total	**26 679**	**100.00**	**521 012 174**	**100.00**

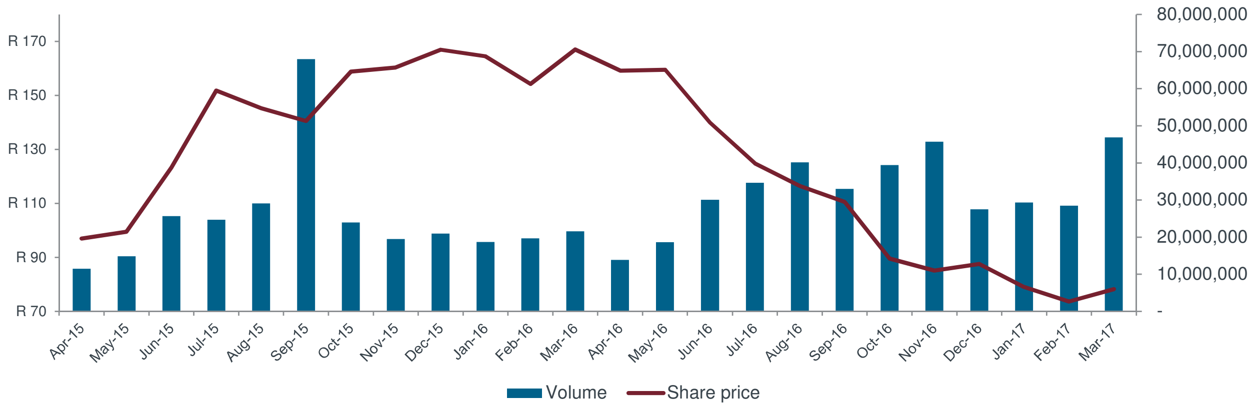
The analysis of shareownings above includes the underlying beneficial shareowners in nominee companies.

Shareholder spread

To the best knowledge of the directors and after reasonable enquiry, as at 31 March 2017, the spread of shareholders was as follows:

	231 338 565	44.40
Directors of the Company	182 734 996	35.07
Government Employees Pension Fund	48 603 569	9.33
Other	289 673 609	55.60
Total	**521 012 174**	**100.00**

Brait ordinary share quoted price and volumes traded



Shareholder information (continued)

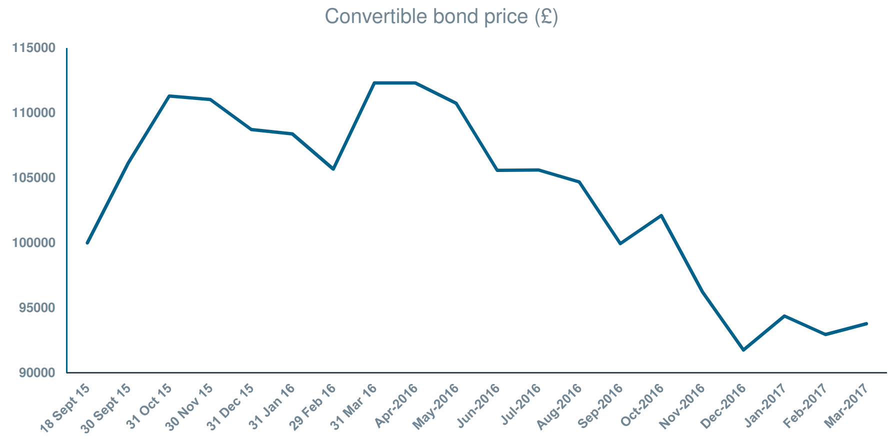
Performance on the JSE Limited* for the years ended 31 March	**2017**	2016	2015	2014	2013
Price performance					
Traded prices (South African cents per share)					
– year-end closing price	**7 820**	16 700	8 350	5 321	3 480
– high	**17 056**	17 045	8 935	5 700	3 844
– low	**7 362**	8 320	5 280	3 435	2 091
– weighted average price per share traded	**10 531**	13 846	7 411	4 471	3 081
Volume performance					
Number of shares in issue (‘000)	**521 012**	520 625	516 490	513 633	510 122
Volume of shares traded (‘000)	**386 814**	297 342	262 383	90 526	161 496
Number of transactions	**973 862**	675 065	287 081	87 211	89 092
Volume traded as % of shares in issue	**74**	57	51	18	32
Number of shareholders (at 31 March)	**26 679**	23 652	17 445	15 333	13 166
Value performance					
Value of shares traded					
– ZAR’m	**40 736**	41 170	19 445	4 047	4 975
Market capitalisation at 31 March					
– ZAR’m	**40 743**	86 944	43 127	27 330	17 752
Yield					
Earnings yield (%)	**(39.9)**	25.7	54.2	9.0	16.7
Dividend yield (%)	**1.0**	0.8	0.9	0.5	0.6

Liquidity rating of securities

Brait’s shares have a class one maximum liquidity rating on the JSE Limited

** The performance on the JSE Limited has been analysed as this is the most liquid exchange on which Brait’s shares trade.*

Brait convertible bond quoted price (listed on the Open Market segment of the Frankfurt Stock Exchange)



17 Financial calendar 2018 to 2019

Updated information can be found at ***www.brait.com*** **or contact us at** ***invest@brait.com***

FY2018	June	Annual results presentation and announcement of dividend – 13 June 2017 Publication and posting of Integrated Annual Report
	July	Annual general meeting – 26 July
	August	First-quarter FY2018 NAV update Bonus share issue/cash dividend payments
	September	Convertible bond coupon payment
	November	Interim FY2018 results presentation
	February	Third quarter FY2018 NAV update
	March	Financial year-end – 31 March Convertible bond coupon payment
FY2019	June	Annual results presentation Publication and posting of Integrated Annual Report
	July	Annual general meeting

Notes


ANNUAL
FINANCIAL
STATEMENTS

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Annual Financial Statements

Directors' responsibilities and approval

for the year ended 31 March

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The following statement, which should be read in conjunction with the auditor's statement on their responsibilities as set out in their report on page 86, is made with a view to distinguish for shareholders the respective responsibilities of the directors and auditors in relation to the financial statements.

The directors are responsible for the preparation, integrity and objectivity of the Consolidated and Company financial statements that fairly present the state of affairs of Brait SE and its subsidiaries (the Group) at the end of the financial year and the net income and cash flows for the year, and other information contained in this report.

To enable the directors to meet these responsibilities:

- the Board set standards for systems of internal control and accounting and information systems aimed at providing reasonable assurance that assets are safeguarded and the risk of error, fraud or loss is reduced in a cost-effective manner. These controls, contained in established policies and procedures, include the proper delegation of responsibilities and authorities within a clearly defined framework, effective accounting procedures and adequate segregation of duties; and
- the Audit and Risk Committee, together with the external and internal auditors, play an integral role in matters relating to financial and internal control, accounting policies, reporting and disclosure. The Audit and Risk Committee is satisfied that the external auditors are independent.

To the best of their knowledge and belief, the directors confirm:

- the financial statements of the Group and Company presented in this Annual Report are established in conformity with International Financial Reporting Standards (IFRS) as adopted in the European Union and give a true and fair view of the assets, liabilities, financial position and loss of the Group and Company;
- the Integrated Annual Report includes a fair review of the development and performance of the business and position of the Group and Company, together with the description of the principal risks and uncertainties faced by the Group and Company; and
- they are satisfied that no material breakdown in the operation of the systems of internal control and procedures has occurred during the year under review.

The Group and Company consistently adopt appropriate and recognised accounting policies and these are supported by reasonable and prudent judgements and estimates on a consistent basis.

The directors have no reason to believe that the Group and Company as a whole will not be a going concern in the year ahead, based on forecasts and available cash resources. These financial statements have accordingly been prepared on that basis. The external auditors concur with this statement.

It is the responsibility of the independent external auditors to report on the Consolidated and Company financial statements. Their report to the members of the Group and Company is set out on page 86.

APPROVAL OF FINANCIAL STATEMENTS

The Directors' report and the financial statements of the Group, which appear on pages 90 to 119 and Company on pages 120 to 125, were approved by the Board on 13 June 2017, respectively, and are signed on its behalf by:

PJ Moleketi
Chairman

HRW Troskie
Director

On behalf of the Board

Directors' report

The directors' report for the year ended 31 March 2017 has included all the necessary disclosures arising from changes in the Maltese Companies Act (Cap. 386) (the "Act") which is effective for annual periods beginning on or after 1 January 2016.

The Board has pleasure in presenting their report to shareholders, together with the audited financial statements for the financial year ended 31 March 2017. The Integrated Annual Report and Financial Statements cover the consolidated and Company financial results of the holding company, domiciled in Malta, and its group operations for the financial year ended 31 March 2017.

Brait SE is an investment holding company, focussed on creating long term shareholder value through its portfolio of unlisted investments. The Group owns controlling interests in portfolio companies in the following consumer sectors: an international health club operator (Virgin Active); a staple foods producer with a growing fast moving consumer good offering (Premier); a multi-channel food retailer with a focus on frozen food (Iceland Foods); a fast fashion multi-channel retailer operating in the value segment of the apparel and accessories markets (New Look); and a producer and exporter of wine, spirits and craft beer (DGB). There were no significant changes in the business activities of the Group and Company during the year

FINANCIAL OVERVIEW, GROUP FUNDING POSITION, PRINCIPAL RISKS AND UNCERTAINTIES, FINANCIAL RISK MANAGEMENT AND PROPOSED BONUS SHARE ISSUE OR CASH DIVIDEND ALTERNATIVE

A review of the results and the operations are included in the Chairman's Statement and Financial Review Commentary on pages 2 and 14 of the Integrated Annual Report respectively. Separate Governance and Remuneration Reports are included from page 50 of the Integrated Annual Report.

The financial statements of the Group are set out in the financial statements and accompanying notes for the year ended 31 March 2017 on pages 90 to 119. Whilst the current year has been challenging, the Group's reported NAV per share at 31 March 2017 of R78.15 / €5.46 represents a three year CAGR in Rand of 34.7%, which compares favourably to the performance benchmark of 15% over any three year period. The Group's reported comprehensive loss for the year of R28.733 billion, is primarily the result of: (i) the loss on investments of R15.085 billion (driven by the revaluation of the investment in New Look, offset by the valuation uplift from the rest of the investment portfolio); and (ii) aggregate foreign exchange losses of R13.198 billion, resulting from the adverse effect that the Rand strengthening against the Pound Sterling has in translating the Group's net Pound Sterling denominated assets into its Rand reporting currency.

The Company financial performance metrics for the Group and Company are described in the Performance against Targets section on page 1 of the Integrated Annual Report. Section 9 of the Integrated Annual Report (pages 14 to 21) provides a detailed discussion on the performance of each of the Group's investments, as well as the Group's funding position, available cash and facilities. The Group's proposed bonus share issue or cash dividend alternative is discussed in section 10 of the Integrated Annual Report (page 21). Section 14 of the Integrated Annual Report (pages 63 to 69) sets out the Group's principal risks and uncertainties.

The financial results of the holding company are set out in the Company financial statements and accompany notes for the year ended 31 March 2017 on pages 120 to 125.

For commentary on the Group's funding position and available cash and undrawn facility and the proposed bonus share issue or cash dividend alternative, see the Financial Review Commentary on pages 14 to 21 of the Integrated Annual Report. The principal risks and uncertainties, including the risks arising from the use of financial instruments affecting the Group and Company are set out in the Management of Risks commentary on pages 63 to 69 of the Integrated Annual Report.

UNISSUED SHARES

At the forthcoming annual general meeting, members will be asked to renew the authority to place the unissued shares in the capital of the company under the control of the directors in terms of the provisions of the company's Articles of Association (Articles). In terms of the authority given by shareholders at the previous AGM, the directors are limited when issuing shares in any one year, whether for cash or otherwise, to 10% of the Company's issued ordinary share capital.

RENEWAL OF AUTHORITY FOR THE REPURCHASE OF SHARES

The conditions relating to the repurchase by the Company of its own shares are governed by the Company's Articles of Association and the EU Regulation 596/2014 on Market Abuse (MA) which provide, inter alia, that this authority shall not extend beyond the date of the forthcoming annual general meeting on 26 July 2017 unless such authority is renewed by shareholders in general meeting. At the forthcoming annual general meeting shareholders will accordingly be requested to renew this authority until the conclusion of the next annual general meeting.

In terms of the Articles the directors may not acquire more than 10% of the issued shares of the Company from time to time, and the maximum price shall be five percent above the volume weighted average price for the 5 business days immediately before the day of the acquisition. The Company uses the Brait Investment Trust, a Malta based trust, established for holding treasury shares on behalf of the Company in accordance with the Malta Companies Act.

It should be noted that in accordance with MA, the maximum price which may be paid for an ordinary share is further restricted to the higher of (i) the price of the last independent trade and (ii) the highest current independent purchase bid for the ordinary shares on exchanges where the shares have been admitted for trading when the purchase is made. The buyback programme is subject to the renewal of the shareholder authority from time to time and shall remain in place until the maturity of the Bonds on 18 September 2020. The Board will limit share purchases on any trading day to not exceed 412 550 ordinary shares. The maximum amount allocated to the buyback programme over the renewed period is €100 million. All share purchases will be on exchanges where the shares have been admitted for trading. The Company will announce shares purchased no later than 7 business days following the purchases.

The objective of the Group's ordinary share buyback program is to reduce the capital of the Company and to meet the obligations of the convertible bonds as they become due.

During the year, the Group repurchased 6 703 458 (FY2016: net 1 831 456) ordinary shares with a nominal value of €0.22 cents per share for a total consideration of €60 million (FY2016: net €18 million), representing 1.3% (FY2016: net 0.4%) of total issued ordinary share capital as at 31 March 2017. As at 31 March 2017, the Group held a total of 14 576 784 (FY2016: 7 873 326) treasury shares with a nominal value of €0.22 per share, representing 2.8% (FY2016:1.5%) of total issued ordinary issued share capital as at 31 March 2017.

DIRECTORS' INTERESTS IN BRAIT SE ORDINARY SHARES

According to information available to the Company, after reasonable enquiry, the aggregate interests of the directors at the date of this report, including the holdings of ordinary shares and share entitlements, are detailed in the Governance Report on page 62.

INSURANCE AND DIRECTORS' INDEMNITY

The Group maintains a comprehensive insurance programme, providing Group cover under professional indemnity, directors and officers liability.

DIRECTORS' EMOLUMENTS

An analysis of directors' remuneration is disclosed in the Remuneration Committee section on page 60.

DIRECTORS' INTEREST IN CONTRACTS

The Group maintains a register of directors' interests. During the financial year no contracts were entered into in which directors of the Company had an interest and which significantly affected the business of the Group.

COMPOSITION OF GROUP COMMITTEES

The composition of the Board, the Audit and Risk Committee, Treasury Committee, Remuneration Committee and Nominations Committee are disclosed in the Governance section of this report.

CORPORATE GOVERNANCE

Full details regarding the Company's commitment to, and its compliance with, appropriate international corporate governance practices are set out from page 52.

AUDITORS

Deloitte Audit Limited of Malta have expressed their willingness to continue in office. Resolutions proposing their reappointment and authorising the audit and risk committee to set their remuneration will be submitted to the forthcoming annual general meeting.

GROUP AND COMPANY OUTLOOK

Brait

The Group continues its focus on strategic value drivers. There is significant value to be driven through the existing portfolio, which is where the key focus will be for FY2018.

Virgin Active

- Virgin Active generated a strong financial performance in its financial year ended 31 December 2016
- Remains focused on its strategy of being the leading premium health operator in its chosen markets
- The company continues to: (i) direct expansion investment in growth markets in Asia and Australia; (ii) invest in product innovation across all territories, and (iii) invest further in the digital customer journey

Premier

- Premier continues to execute on its strategy of brand building, producing consistent quality offerings and product innovation, as well as operational efficiencies
- With the normalisation of maize sales volumes and margins expected for the remaining three quarters of FY2018, together with the full year benefits of FY2017's investment in three new baking plants, Premier's core brands are well positioned to compete in their respective markets

Iceland Foods

- Iceland Foods' strategic initiatives set out in FY2015 delivered a solid performance in FY2017
- The Food Warehouse store rollout continues, with 25 openings planned in FY2018
- Based on the positive sales performance, the traditional Iceland store concept refit will be rolled out to further parts of the UK, predominantly in London, as part of the ongoing programme of store refurbishment
- The company continues to plan and invest for the long term, with its strong cash flow generation, targeted marketing campaigns, investment in people, innovation and online sales the key strategies on which management is focused to drive growth

New Look

- New Look's FY2017 has clearly been a difficult year and conditions are expected to remain challenging through FY2018
- Plans have been set accordingly to address the specific issues experienced in FY2017 and improve business performance, whilst continuing to focus investment in its strategic diversification initiatives in China, Menswear and E-Commerce
- New Look's cash flow generation and existing available undrawn borrowing facilities are sufficient to fund operations, capital expenditure and service the coupon on its High Yield Bond

The Directors' Report, Governance and Financial Review Commentary, Management of Risks, Performance against Targets and Sustainability Reports (set out on pages 70 to 75) have been approved by the Board of Directors and signed on its behalf on 13 June 2017 by:

PJ Moleketi
Chairman

HRW Troskie
Director

Independent auditor's report to the shareholders of Brait SE:

REPORT ON THE AUDIT OF THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the individual financial statements of Brait SE (the Company) and the consolidated financial statements of the Company and its subsidiaries (together, the Group) set out on pages 120 to 125 and 90 to 119 respectively, which comprise the statements of financial position of the Company and the Group as at 31 March 2017, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Company and the Group for the year then ended, and notes to the individual and consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the individual and consolidated accompanying financial statements give a true and fair view of the financial position of the Company and its Group as at 31 March 2017, and of the Company's and its Group's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and have been properly prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the individual and consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) together with the *Accountancy Profession (Code of Ethics for Warrant Holders) Directive* (Maltese Code) that are relevant to our audit of the individual and consolidated financial statements in Malta, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Maltese Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the individual and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter as described below pertains to the audit of the consolidated financial statements. There were no key audit matters identified in relation to the audit of the individual financial statements.

Valuation of Unlisted Investments

The valuation of the Group's investment portfolio of €3.1 billion/R44.4 billion is the most significant matter of applied estimation and judgement, which is both material and pervasive to the Group.

The Group targets investments that are predominantly unlisted entities for which it is difficult to obtain readily available market values. The valuation of these investments is based on an earnings multiple valuation model.

The model is based on information concerning the maintainable earnings of the investee entity, which is derived from the results of that business, but subject to judgment over the nature of one off items that are adjusted to present a fairer view of the underlying or maintainable earnings figure. The model also relies on judgments over the identification of a suitable earnings multiple, based on available comparable companies' trading performance and market price, but also with potential adjustments to reflect differences in the nature of the comparable and the business being valued. The output of these valuation models are highly sensitive to changes in inputs.

The Group's fair value measurement policy is disclosed within note 1.10.3 and details of the valuations determined are included in note 2.

We assessed the valuation methodologies and challenged the assumptions used to determine the fair value of investments as set out below. Our audit procedures included:

- Evaluating the design and implementation of key controls over the Group's investment valuation process;
- Assessing the effectiveness of the Board of Directors' challenge and approval of the investment valuations based on our attendance at Audit and Risk Committee meetings held during the year;

- Obtaining an understanding of the valuation methodologies, risk assessment procedures, comparing changes made to key assumptions and calculations to the prior year and assessing the appropriateness of these changes;
- Ensuring that the valuation methodologies adopted are appropriate and in line with the relevant industry guidance, such as the International Private Equity and Venture Capital Valuation Guidelines;
- Reviewing the appropriateness and consistency of the comparable companies (peer) used in determining the earnings multiples applied in determining the fair value of investments;
- Testing the accuracy and consistency of the methodology applied in determining the blended Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) used in relation to actual results and/or the investee management's forecasts due to the non-coterminous financial year-ends of investee companies;
- Assessing the consistency of adjustments made in the determination of the comparable company sustainable EBITDA and those made in the determination of sustainable EBITDA for the respective investee valuations;
- Performing back testing on the actual and forecasted EBITDA applied in the determination of the fair value of the investments;
- Critically assessing and testing the appropriateness of discounts/premiums applied in determining the fair value of the investments, with specific focus on the motivation for these adjustments and changes made when compared to prior years; and
- Performing sensitivity analysis of the valuations to changes in key inputs.

Information Other than the individual and consolidated Financial Statements and the Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included within the business overview and governance sections set out on pages i to 77, the statement of directors' responsibilities and approval on page 82, and the directors' report on pages 83 to 85 of the integrated annual report. The other information does not include the individual and consolidated financial statements and our auditor's report thereon.

Except for our opinion on the directors' report in accordance with the Maltese Companies Act (Cap.386), our opinion on the individual and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the individual and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

With respect to the directors' report, we also considered whether the directors' report include the disclosure requirements of Article 177 of the Maltese Companies Act (Cap. 386).

In accordance with the requirements of sub-article 179(3) of the Maltese Companies Act (Cap.386) in relation to the directors' report on pages 83 to 85, in our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the individual and consolidated financial statements are prepared is consistent with those financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company, its Group and their environment obtained in the course of the audit, we have not identified any material misstatements in the directors' reports.

Responsibilities of the Directors and the Audit and Risk Committee for the Financial Statements

As explained more fully in the statement of directors' responsibilities on page 82, the directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the European Union and the requirements of the Maltese Companies Act (Cap. 386), and for such internal control as they determine is necessary to enable the preparation of the individual and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Independent auditor's report to the shareholders of Brait SE:

(continued)

In preparing the individual and consolidated financial statements, the directors are responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company and the Group or to cease operations, or have no realistic alternative but to do so.

The directors have delegated the responsibility for overseeing the Company's and the Group's financial reporting process to the Audit and Risk Committee.

Auditor's Responsibilities for the Audit of the individual and consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these individual and consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company or the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the individual and consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Risk Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Risk Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit and Risk Committee, we determine those matters that were of most significance in the audit of the individual and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Under the Maltese Companies Act (Cap.386), we have responsibilities to report to you if in our opinion:

- proper accounting records have not been kept;
- proper returns adequate for our audit have not been received from branches not visited by us;
- the individual financial statements are not in agreement with the accounting records and returns; or
- we have been unable to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purpose of our audit.

We have nothing to report to you in respect of these responsibilities.

The engagement director on the audit resulting in this independent auditor's report is Bernard Scicluna.

Bernard Scicluna as Director
in the name and on behalf of
Deloitte Audit Limited
Registered auditor
Mriehel, Malta

13 June 2017

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Consolidated statement of financial position

as at 31 March 2017

Audited 31 March 2016 R'm	**Audited 31 March 2017 R'm**		Notes	**Audited 31 March 2017 €'m**	Audited 31 March 2016 €'m
		ASSETS			
73 036	**44 408**	**Non-current assets**		**3 100**	4 352
73 036	**44 408**	Investments	2	**3 100**	4 352
4 599	**3 289**	**Current assets**		**230**	275
245	**5**	Accounts receivable		**–**	15
4 354	**3 284**	Cash and cash equivalents	3	**230**	260
77 635	**47 697**	**Total assets**		**3 330**	4 627
		EQUITY AND LIABILITIES			
69 872	**39 580**	**Ordinary shareholders equity and reserves**		**2 763**	4 164
6 317	**5 387**	Share capital and premium	4	**565**	630
8 051	**(4 828)**	Foreign currency translation reserve		**(782)**	(516)
864	**864**	Convertible Bond reserve		**57**	57
54 640	**38 157**	Retained earnings		**2 923**	3 993
7 721	**8 065**	**Non-current liabilities**		**563**	460
6 621	**5 396**	Convertible Bonds	5	**377**	395
1 100	**2 669**	Borrowings	6	**186**	65
42	**52**	**Current liabilities**		**4**	3
42	**52**	Accounts payables and other liabilities		**4**	3
77 635	**47 697**	**Total equity and liabilities**		**3 330**	4 627
521	**521**	Ordinary shares in issue (m)		**521**	521
(8)	**(15)**	Treasury shares (m)		**(15)**	(8)
513	**506**	**Outstanding shares for NAV calculation (m)**		**506**	513
13 627	**7 815**	**Net asset value per share (cents)**		**546**	812

The financial statements set out on pages 90 to 119 were approved by the Board, authorised for issue on 13 June 2017 and signed on its behalf by:

PJ Moleketi

Chairman

HRW Troskie

Director

Consolidated statement of comprehensive income

for the year ended 31 March 2017

Audited 31 March 2016 R'm	**Audited 31 March 2017 R'm**		Notes	**Audited 31 March 2017 €'m**	Audited 31 March 2016 €'m
21 990	**(15 085)**	Investment (losses)/gains	7	**(978)**	1 445
372	**244**	Interest income		**16**	24
34	**409**	Dividend income		**27**	2
69	**62**	Fee income		**4**	5
1 122	**(319)**	Foreign exchange (losses)/gains		**(21)**	74
23 587	**(14 689)**	**(Loss)/income**		**(952)**	1 550
(435)	**(401)**	Operating expenses	8	**(26)**	(29)
–	**(76)**	Other expenses		**(5)**	–
23 152	**(15 166)**	**(Loss)/profit from operations**		**(983)**	1 521
(971)	**(659)**	Finance costs	9	**(43)**	(63)
22 181	**(15 825)**	**(Loss)/profit before taxation**		**(1 026)**	1 458
(24)	**(29)**	Taxation	10	**(2)**	(2)
22 157	**(15 854)**	**(Loss)/profit for the year**		**(1 028)**	1 456
		Other comprehensive income			
8 064	**(12 879)**	Translation adjustments		**(266)**	(338)
30 221	**(28 733)**	**Comprehensive (loss)/income for the year**		**(1 294)**	1 118
136.27	**78.15**	Proposed/paid ordinary dividend per share (cents)	11	**5.25**	7.76
4 294	**(3 119)**	(Loss)/earnings per share (cents) – basic	12	**(202)**	283
4 141	**(2 809)**	(Loss)/earnings per share (cents) – diluted	12	**(182)**	272
487.23	**–**	Interim Preference dividend per share paid (cents)		**–**	32.1133
302.03	**–**	Final Preference dividend per share paid (cents)		**–**	18.1619

Consolidated statement of changes in equity

for the year ended 31 March 2017

Total equity and reserves R'm	Retained earnings R'm	Non distributable earnings reserve R'm	Foreign currency translation reserve R'm	Convertible Bond reserve R'm	Share capital and premium R'm		Share capital and premium €'m	Convertible Bond reserve €'m	Foreign currency translation reserve €'m	Non distributable earnings reserve €'m	Retained earnings €'m	Total equity and reserves €'m
39 369	**32 221**	**574**	**(13)**	**–**	**6 587**	**Ordinary shareholders balance at 31 March 2015**	**646**	**–**	**(178)**	**44**	**2 511**	**3 023**
8 064	–	–	8 064	–	–	Net translation adjustments	–	–	(338)	–	–	(338)
(36)	(36)	–	–	–	–	Preference share issue cost allocated to Retained Earnings on redemption	–	–	–	–	(2)	(2)
–	574	(574)	–	–	–	Transfer from non distributable earnings	–	–	–	(44)	44	–
864	–	–	–	864	–	Convertible bond	–	57	–	–	–	57
(270)	–	–	–	–	(270)	Net purchase of treasury shares	(16)	–	–	–		(16)
22 157	22 157	–	–	–	–	Profit for the year	–	–	–	–	1 456	1 456
(22)	(22)	–	–	–	–	Ordinary dividend paid (cash election)	–	–	–	–	(1)	(1)
(254)	(254)	–	–	–	–	Earnings attributed to preference shares	–	–	–	–	(15)	(15)
69 872	**54 640**	**–**	**8 051**	**864**	**6 317**	**Ordinary shareholders balance at 31 March 2016**	**630**	**57**	**(516)**	**–**	**3 993**	**4 164**
(12 879)		**–**	**(12 879)**	**–**	**–**	**Net translation adjustments**	**–**	**–**	**(266)**	**–**	**–**	**(266)**
(930)	**–**	**–**	**–**	**–**	**(930)**	**Net purchase of treasury shares**	**(65)**	**–**	**.**	**–**	**–**	**(65)**
(15 854)	**(15 854)**	**–**	**–**	**–**	**–**	**Loss for the year**	**–**	**–**	**–**	**–**	**(1 028)**	**(1 028)**
(629)	**(629)**	**–**	**–**	**–**	**–**	**Ordinary dividend paid (cash election)**	**–**	**–**	**–**	**–**	**(42)**	**(42)**
39 580	**38 157**	**–**	**(4 828)**	**864**	**5 387**	**Ordinary shareholders balance at 31 March 2017**	**565**	**57**	**(782)**	**–**	**2 923**	**2 763**

Consolidated statement of cash flows

for the year ended 31 March 2017

Audited 31 March 2016 R'm	**Audited 31 March 2017 R'm**		Notes	**Audited 31 March 2017 €'m**	Audited 31 March 2016 €'m
		Cash flows from operating activities:			
17 438	**300**	Investment proceeds received	13.1	**21**	1 131
69	**56**	Fees received		**4**	5
315	**65**	Interest received		**4**	21
–	**266**	Dividends received		**18**	–
(444)	**(401)**	Operating expenses paid		**(26)**	(29)
–	**(59)**	Other expenses paid		**(4)**	–
(16)	**(35)**	Taxation paid		**(2)**	(1)
17 362	**192**	Operating cash flow before investments		**15**	1 127
(32 199)	**(190)**	Purchase of investments	13.2	**(12)**	(2 222)
(14 837)	**2**	**Net cash generated from/(used in) operating activities**		**3**	(1 095)
1 100	**1 491**	Net drawdown of Borrowings		**85**	204
7 245	**–**	Proceeds from issue of Convertible Bonds		**–**	481
(944)	**(391)**	Finance costs paid		**(24)**	(62)
(487)	**(710)**	Net purchase of treasury shares		**(42)**	(32)
(22)	**(629)**	Ordinary dividend paid (cash election)		**(42)**	(1)
(2 000)	**–**	Redemption of Preference shares		**–**	(109)
(254)	**–**	Preference dividend paid		**–**	(15)
612	**–**	Proceeds from Loan Receivable		**–**	40
5 250	**(239)**	**Net cash (used in)/from financing activities**		**(23)**	506
(9 587)	**(237)**	**Net decrease in cash and cash equivalents**		**(20)**	(589)
252	**(833)**	Effects of exchange rate changes on cash and cash equivalents		**(10)**	(202)
13 689	**4 354**	Cash and cash equivalents at beginning of year		**260**	1 051
4 354	**3 284**	**Cash and cash equivalents at end of year**		**230**	260

Notes to the consolidated financial statements

for the year ended 31 March

1. ACCOUNTING POLICIES

1.1 Basis for preparation

The Consolidated and Company financial statements (Financial Statements) are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, on the going concern principle, using the historical cost basis, except where otherwise indicated. The accounting policies and methods of computation are consistent with those applied in the consolidated financial statements for the year ended 31 March 2016.

The Group's financial statements are prepared using both the Euro (EUR) and SA Rand (R/ZAR) as its presentation currencies.

The Group's subsidiaries have one of three functional currencies: Pound Sterling (GBP), SA Rand or US Dollar (USD/US$). The holding company, Brait SE, and its main consolidated subsidiaries use GBP as their functional currency. The financial statements have been prepared using the following exchange rates:

	2017		2016	
	Closing	**Average**	Closing	Average
USD/ZAR	**13.4247**	**14.0513**	14.7678	13.7836
GBP/ZAR	**16.8674**	**18.4171**	21.2052	20.7245
EUR/ZAR	**14.3232**	**15.4319**	16.7810	15.2210
USD/EUR	**0.9373**	**0.9105**	0.8800	0.9055
GBP/EUR	**1.1776**	**1.1934**	1.2636	1.3616

1.2 Compound financial instruments

The Convertible Bonds (Bonds) issued in September 2015 are convertible into Brait ordinary shares. These Bonds are accounted for as compound financial instruments. The liability component is initially recognised as the present value of the future coupon and principal payments. The discount rate used for this calculation, was the market rate on the date the bonds were issued, for similar liabilities that do not have the equity conversion component (vanilla bonds). The equity component is the excess of the proceeds received on issuance, less the value of the liability component recognised for the instrument.

Subsequent to its initial recognition, the liability component is measured at amortised cost using the effective interest rate method. In addition, the conversion option classified as equity (convertible bond reserve) will remain in equity until the conversion option is exercised, in which case, the balance recognised in convertible bond reserve will be transferred to share premium. Should the conversion option remain unexercised at maturity date, the balance recognised in convertible bond reserve will be transferred to retained earnings. No gain or loss is recognised in profit or loss on conversion or expiry of the conversion option.

1.3 Principles of consolidation

1.3.1 Accounting for subsidiaries and associates

Given the nature of the Group's operations, all portfolio investments are accounted for at Fair Value Through Profit and Loss (FVTPL) in terms of IAS 39: Financial Instruments: Recognition and Measurement (IAS 39), irrespective of whether they are subsidiaries or associates as explained below.

Subsidiaries are entities that the Group controls by being exposed to, or having rights to, variable returns from its involvement with that entity and, where the Group has the ability to affect those returns through its power over the entity.

The Group subsidiaries consist of entities that:

i. hold portfolio investments;
ii. provide services to third parties and related companies; and
iii. do both (i) and (ii).

1. ACCOUNTING POLICIES (CONTINUED)

1.3 Principles of consolidation (continued)

1.3.1 Accounting for subsidiaries and associates (continued)

Subsidiaries classified as (i) or (iii) are classified as Investment Entities under IFRS 10 Consolidated Financial Statements. Investment Entities are exempt from consolidation and measured at FVTPL in terms of IAS 39. Changes in fair value, primarily driven by revaluation of portfolio investments, are recognised in profit and loss in the period of change. Subsidiaries classified as (ii) are not Investment Entities and continue to be consolidated ("Consolidated Subsidiaries").

Where the Group does not have control, but has significant influence over a portfolio investment, such entities are classified as associates. Given the nature of the Group's operations, associates are accounted for at FVTPL (scoped out of IAS 28: Investments in Associates and Joint Ventures and into IAS 39). Changes in fair value are recognised in profit or loss in the period of change.

A statement setting out further details of the Group's Investments can be found at the Maltese Registry of Companies in terms of the applicable legislation.

1.3.2 Basis of consolidation for Consolidated Subsidiaries

On acquisition date, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values.

Any excess of acquisition cost over fair value of the identifiable net assets acquired, is recognised as goodwill. Any shortfall in the acquisition cost below the fair value of the identifiable net assets acquired (ie discount), is credited to profit and loss in the period of acquisition. Minority shareholders are stated at their proportion of the fair value of the assets and liabilities recognised.

The results of Consolidated Subsidiaries acquired or disposed of during the period are included in the statement of comprehensive income from their effective date of acquisition up to their effective date of disposal. Where necessary, adjustments are made to the financial statements of Consolidated Subsidiaries to align their policies with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

1.3.3 Treasury shares

Ordinary shares held for the vested benefit of Brait SE are classified as treasury shares in the statement of changes in equity.

Treasury shares are treated as a deduction from the issued and weighted average number of shares in issue and the cost price of the shares is presented as a deduction from equity. On the reissue of the shares to the market the proceeds are credited to reserves.

Dividends received on treasury shares are eliminated on consolidation.

1.3.4 Use of estimates, judgements and assumptions

In preparing the financial statements, the directors are required to exercise their judgement in the process of applying the Group's accounting policies, making of estimates, judgements and assumptions that affect reported income, expenses, assets and liabilities and disclosure of contingent assets and liabilities.

Judgement is primarily exercised by the directors in assessing the fair valuation of unlisted investments held by the Group, which includes (where applicable) the assessment of the recoverability of shareholder funding advances. Other areas of judgement relate to the classification of financial assets and liabilities into their relevant categories and in determining their appropriate measurement and disclosure.

A change in accounting estimate is defined as an adjustment to the carrying value of an asset or liability that results from new developments or information. Changes in accounting estimates are recognised in the statement of comprehensive income during the period in which the change is made.

1.3.5 Segmental reporting

The Group has only one operating segment being that of an investment holding company. All segment information can be obtained through inspection of the consolidated financial statements.

1. ACCOUNTING POLICIES (CONTINUED)

1.4 Translation of financial statements of entities into the presentation currencies

The Company, and its main operating subsidiaries Brait Malta Limited and Brait Mauritius Limited use GBP as their functional currency. Assets and liabilities of these entities are translated into the Group's presentation currencies of Euro and Rand at closing exchange rates. Capital and reserves are translated at historical rates. Income statement items are translated at the average exchange rates for the period.

On disposal of these entities, such translation differences are recognised in profit and loss as part of the gain or loss on disposal.

1.5 Foreign currency assets and liabilities

In preparing the financial statements of the consolidated subsidiaries, transactions in currencies, other than the entity's functional currency, are recorded at the exchange rates prevailing on the dates of the transactions. At each statement of financial position date, monetary items denominated in foreign currency are translated at the closing exchange rates, with differences reflected as foreign exchange Gains/Losses in profit and loss. Non-monetary items carried at fair value that are denominated in foreign currency are translated at the exchange rates prevailing when the fair value was determined. Non-monetary items that are measured in terms of historical costs in a foreign currency are not retranslated.

For the purpose of presenting the Group financial statements, assets and liabilities are translated into Euro and ZAR presentation currencies at the closing exchange rates. Incomes and expenses are translated at the average exchange rates. The resulting translation differences are reflected as Foreign Currency Translation Reserve (FCTR). The FCTR is primarily driven by translating the GBP carrying values for New Look, Virgin Active and Iceland Foods as well as the Group's Pound cash holding and Convertible Bonds, into the Group's Euro and ZAR presentation currencies. The FCTR is also impacted by translating the carrying values of ZAR assets from GBP functional currency to Euro and ZAR presentation currencies during the financial year.

1.6 Revenue recognition

1.6.1 Investment gains/(losses)

Investment gains/(losses) are recognised as earned/(incurred). This relates to the fair value gains/(losses) on the Group's portfolio investments in the functional currency of the entity holding the investments.

The fair value is determined per IFRS 13 Fair Value Measurement (see details under Financial Instruments note).

1.6.2 Interest income

Interest income is accrued on a yield-to-maturity basis by reference to the principal outstanding and the interest rate applicable. Interest income includes interest accrued on amortised cost shareholder funding. In certain instances where the shareholder funding is in arrears, an assessment is made regarding recoverability of the shareholder funding and, if necessary, the accrual of interest is not recognised in profit and loss.

1.6.3 Dividend income

Dividend income is recognised on the date the right to receive payment is established, gross of any foreign withholding taxes. Dividend income includes accrued interest on amortised cost shareholder funding when the contractual terms of the funding results in the receipt of a dividend.

1.6.4 Fee income

Fee income is recognised as the services are provided by the Group.

Fee income earned by the Group in providing private equity fund management services is charged at an agreed percentage of the value of third party funds committed to the private equity fund, which is reduced on a sliding scale after the term of the fund's commitment period (usually five years from the anniversary of the final closing date), after which the fee is based on the value of third party funds invested in the remaining unrealised investments held by the private equity fund.

1.7 Operating expenses

The Group functions as an investment holding company. Operating expenses relating to its portfolio investments are referenced to the size of its Assets Under Management (AUM). The Group targets a ratio of operating expenses to AUM of less than 0.85%.

1. ACCOUNTING POLICIES (CONTINUED)

1.8 Taxation

Taxation comprises income tax, withholding taxes on foreign income earned and, where applicable, Value-Added Tax (VAT) not claimed as a result of the proportion of exempt income to total income.

Income tax for the year comprises current and deferred tax. Current income tax is the expected tax payable on the taxable income for the year generated in each of the jurisdictions in which the Group has operations, using respective tax rates enacted at the statement of financial position date, and any adjustments to tax payable in respect of previous years.

Deferred tax is provided for on the comprehensive basis, using the statement of financial position liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes, using tax rates substantially enacted at the statement of financial position date. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available, against which the unused tax losses can be utilised.

The Group may incur withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the statement of comprehensive income. Withholding taxes are included in tax expense in the statement of comprehensive income.

1.9 Property and equipment

Property and equipment is stated at historical cost less accumulated depreciation and impairments.

Depreciation is provided for on the historical cost method, using the straight-line basis, at rates considered appropriate to write the assets down to their expected residual value over their estimated useful lives which are reassessed at each reporting date.

The value of property and equipment held is insignificant and is not separately disclosed.

1.10 Financial instruments

Financial instruments include all financial assets, financial liabilities and equity instruments including derivative instruments.

Financial assets and financial liabilities, are recognised on the Group's statement of financial position when the Group becomes party to the contractual provisions of the instrument. All transactions, including regular way purchases and sales, are recognised at fair value on trade date.

1.10.1 Classification

Financial assets are classified into the following categories:

- Financial assets at fair value through profit or loss (FVTPL);
- Held-to-maturity investments;
- Available-for-sale (AFS) financial assets;
- Loans and receivables.

Currently, the Group has not chosen to classify any investments as 'available-for-sale' or 'held-to-maturity' investments. However, as the classification is investment specific, this does not preclude the use of these categories in the future. Should these categories be utilised in the future, the appropriate accounting treatment as specified by IAS 39 will be applied.

1.10.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset/liability and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset/liability, or, where appropriate, a shorter period.

Interest income/expense is recognised on an effective interest basis for instruments other than those designated as at FVTPL.

1. ACCOUNTING POLICIES (CONTINUED)

1.10 Financial instruments (continued)

1.10.3 Financial instruments as at FVTPL

Financial assets or financial liabilities are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset/liability, other than a financial asset/liability held for trading, may be designated as at FVTPL upon initial recognition if:

- the financial asset forms part of a group of financial assets, financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

The Group designates the majority of its financial asset investments as at FVTPL as the Group is managed on a fair value basis, with any resultant gain or loss recognised in investment gains. Fair Value is determined in accordance with IFRS 13.

Statement of financial position items carried at fair value include investments in equity instruments and shareholder funding instruments.

The Group applies a number of methodologies to determine and assess the reasonableness of the fair value, which may include the following:

- Earnings multiple;
- Recent transaction prices;
- Net asset value; or
- Price to book multiple

Listed investments are held at recently quoted transaction prices. Where the listed investment is either thinly traded and/or the market is inactive, the valuation applied to determine the carrying value is based on the applicable unlisted investment methodology set out below.

The primary valuation model utilised for valuing unlisted portfolio investments is the maintainable earnings multiple model.

Maintainable earnings are derived with reference to the mix of prior year audited and latest available current year forecast EBITDA per the portfolio company, adjusted for any non-recurring income/expenditure. As the year progresses, so the weighting is increased towards the portfolio company's forecast.

The directors decide on an appropriate group of comparable quoted companies from which to base the EV/EBITDA multiple. The three year trailing average multiple of the comparable quoted companies, is adjusted for points of difference, where required, to the portfolio company being valued. The peer average spot multiple at reporting date is also considered. Peer multiples are calculated based on the latest available financial information. Adjustments for points of difference are assessed by reference to the two key variables of risk and earnings growth prospects, and include the nature of operations, type of market exposure, competitive position, quality of management, capital structure and differences between the liquidity of the shares being valued and those on a quoted exchange. The resulting valuation multiple is applied to the maintainable EBITDA to calculate the Enterprise Value (EV) for the portfolio investment.

The equity valuation takes consideration of the portfolio investment's net debt/cash on hand per its latest available financial results.

1. ACCOUNTING POLICIES (CONTINUED)

1.10 Financial instruments (continued)

1.10.3 Financial instruments as at FVTPL (continued)

Where appropriate, alternative methodologies such as the Price to book or Discounted cash flow valuation models are applied.

Shareholder funding instruments may be designated at FVTPL at inception where they have distinguishing characteristics. Some of these characteristics include: (i) the fact that the shareholder funding is linked/stapled to equity instruments in a portfolio company; (ii) their rate is not referenced to normal market related rates, but is agreed between Brait and the investee; and (iii) in the event of exit, the funding cannot be settled other than at cost plus accrued interest, i.e. trade restrictions. For these shareholder funding instruments, cost plus accrued interest is representative of fair value.

1.10.4 Loans and receivables

Loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Except for shareholder funding designated at FVTPL, loans and receivables are measured at amortised cost using the effective interest method, less any impairment. The amortised cost valuation for loans and receivables approximates fair value as shareholder funding is provided at market related rates. Statement of financial position items include account receivables, loans, cash and bank balances.

1.10.5 Impairment of financial assets

Financial assets, other than those as at FVTPL, are assessed for indicators of impairment at each statement of financial position date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. The carrying amount of the financial asset is reduced by the impairment loss directly only when all legal avenues have been exhausted and there is no possibility of an additional recovery. Changes in the carrying amount and subsequent recoveries of amounts previously written off are recognised in profit or loss.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised; the previously recognised impairment loss is reversed through profit or loss. This reversal is limited to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

1.10.6 Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

1.10.7 Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

1. ACCOUNTING POLICIES (CONTINUED)

1.10 Financial instruments (continued)

1.10.8 Equity instruments

An equity instrument, is any contract that evidences a residual interest in the assets of an entity, after deducting all its liabilities, and the Group has no obligation to deliver either cash or any other financial asset to the holder. Equity instruments issued by the Group are recorded at the proceeds received, net of issue costs.

Cumulative, non-participating preference shares with no fixed maturity, having no fixed repayment profile are treated as equity instruments.

1.10.9 Financial guarantee contract liabilities, contingent liabilities and commitments

Financial guarantee contract liabilities are measured initially at their fair values and are subsequently measured at the higher of:

- the amount of the obligation under the contract, as determined in accordance with IAS 37: Provisions, Contingent Liabilities and Contingent Assets (IAS 37); and
- the amount initially recognised, less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

A contingent liability is disclosed in the notes to the financial statement where the obligation is only possible and not probable, in accordance with IAS 37.

1.10.10 Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

1.10.11 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

1.10.12 Derivative financial instruments

The Group may enter into a variety of derivative financial instruments to manage its exposure to financial risk.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each statement of financial position date. The resulting gain or loss is recognised in profit or loss immediately, unless the derivative is designated as and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Group has not designated any derivatives as part of an IAS 39 hedging relationship.

1.11 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise notice deposits and cash balances with banks.

1.12 Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

1. ACCOUNTING POLICIES (CONTINUED)

1.13 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.14 Related-party transactions

All related-party transactions are, unless otherwise disclosed, at arm's length and are in the normal course of business.

1.15 Adoption of new and revised standards and interpretations

In the current period, all the new and revised standards and interpretations issued by the International Accounting Standards Board ("IASB") and the IFRS Interpretations Committee ("IFRIC") of the IASB, as adopted by the European Union, that are relevant to the Group's operations and effective for annual reporting periods commencing on 1 April 2016 have been adopted. Their adoption has not had a significant impact on the presentation of the financial statements.

1.16 Standards applicable to the Group not yet effective

At the date of authorisation of these financial statements, the following standards were in issue but not yet effective for the annual periods commencing on or after the specified dates. The directors do not believe that the below-mentioned standards have a material impact on the Consolidated and Company financial statements. Except for IFRS 16 and IFRS 17, these standards have been endorsed by the EU.

IFRS 9 Financial Instruments (issued July 2014 and effective 1 January 2018);

IFRS 15 Revenue from Contract with Customers (issued May 2014, clarified in April 2016 and effective 1 January 2018);

IFRS 16 Leases (issued January 2016 and effective 1 January 2019); and

IFRS 17 Insurance contracts (issued May 2017 and effective 1 January 2021).

Notes to the consolidated financial statements (continued)

for the year ended 31 March

2016 R'm	2017 R'm			Notes	2017 €'m	2016 €'m
		2.	**INVESTMENTS**			
73 036	**44 408**		**The Group's portfolio of investments**		**3 100**	4 352
17 579	**15 516**		Virgin Active	2.1	**1 083**	1 048
11 637	**12 395**		Premier	2.2	**865**	693
7 181	**7 367**		Iceland Foods	2.3	**514**	428
34 869	**7 066**		New Look	2.4	**493**	2 078
1 770	**2 064**		Other investments		**145**	105

			2017 £'m	2016 £'m
2.1	**Virgin Active** (1)			
	Maintainable EBITDA		**140.0**	134.5
	EV/EBITDA multiple		**11.4x**	11.0x
	Enterprise value		**1 596.0**	1 479.8
	Less: net third party debt		**(411.4)**	(407.6)
	Shareholder value		**1 184.6**	1 072.2
	Less: shareholder funding (2)		**(1 037.4)**	(946.0)
	Equity Value		**147.2**	126.2
	Brait's effective equity value participation % (3) (4)		**71.1%**	70.4%
	Carrying value for Brait's share of equity value		**104.6**	88.9
	Shareholder funding at valuation date		**1 037.4**	946.0
	Brait's shareholder funding participation % (4)		**78.6%**	78.2%
	Carrying value for Brait's share of shareholder funding		**815.3**	740.0
	Carrying value for Brait's investment in Virgin Active (5)		**919.9**	828.9
	Closing GBP/ZAR exchange rate	R	**16.87**	21.21
	Carrying value for Brait's investment in Virgin Active	R'm	**15 516**	17 579

(1) Virgin Active exited 36 non-core UK clubs during July 2016, 35 of which were sold to Nuffield Health. Maintainable EBITDA used in the 30 September 2016 and 31 March 2017 valuations excludes EBITDA associated with these clubs, with net third party debt including the sales proceeds received and finance lease obligations released. The sale of the 14 racquet clubs to David Lloyd Leisure had not completed at the time of finalising the 31 March 2017 valuation (thus not treated as discontinued at the valuation date – note that this transaction is not considered dilutive to Brait's carrying value of Virgin Active)

(2) GBP denominated shareholder funding bears interest at a fixed rate of 10%, is unsecured, with no fixed repayment terms and matures 16 July 2025. Total shown includes accrued interest to valuation date

(3) Brait announced on 16 July 2015 the completion of the acquisition of c.80% of Virgin Active. During September 2015, further classes of non-voting share capital (sweet equity) were issued to the Virgin Active management team subject to vesting over a 4 year term. The valuation at reporting date reflects the full dilution to Brait's economic interest in the equity value of Virgin Active.

(4) The increase in participation % over the year is a function of buybacks by the company and/or shareholders from departed Virgin Active management team members

(5) Brait has entered into a series of put option agreements with the Virgin Active management team, based on Brait's fair value of Virgin Active at the exercise date and as a result, do not expose Brait to fair value risk

	2017 R'm	2016 R'm
2. INVESTMENTS (CONTINUED)		
2.2 Premier		
Maintainable EBITDA	**1 140**	1 125
EV/EBITDA multiple [1]	**13.2x**	12.7x
Enterprise value	**15 048**	14 286
Less: net third party debt	**(1 850)**	(1 946)
Total net third party debt at valuation date [2]	**(2 363)**	(2 304)
Adjustment for acquisitions/capex not as yet generating EBITDA	**513**	358
Less: shareholder funding	**(2 854)**	(2 562)
Total shareholder funding at valuation date	**(2 854)**	(2 726)
Adjustment for acquisitions/capex not as yet generating EBITDA	**–**	164
Equity Value	**10 344**	9 778
Brait's shareholding in Premier [3]	**92.2%**	91.1%
Carrying value for Brait's share of equity value [4]	**9 541**	8 911
Brait's investment in Premier	**12 395**	11 637
Equity value	**9 541**	8 911
Shareholder funding claims [5]	**2 854**	2 726

[1] The March 2017 valuation multiple used of 13.2x is at a discount of 1% to the peer average trailing three-year EBITDA multiple of 13.4x, and a 1% premium to the peer average spot EBITDA multiple of 13.1x.

[2] Ratio of net third party debt at valuation date to EBITDA: March 2016: 2.0x; March 2017: 2.1x.

[3] Increase in Brait's shareholding due to the exercise of put and call option agreements.

[4] Brait has entered into a series of put option agreements with the Premier management team, based on Brait's fair value of Premier at the exercise date and as a result do not expose Brait to fair value risk.

[5] Shareholder funding bears interest at the ruling SA Prime Interest rate plus a margin of 2% and is unsecured, with no fixed repayment terms. Premier has to date repaid Brait R666 million.

Notes to the consolidated financial statements (continued)

for the year ended 31 March

		2017 £'m	2016 £'m
2.3 Iceland Foods			
Maintainable EBITDA		**160.0**	150.5
EV/EBITDA multiple [(1)]		**9.0x**	8.8x
Enterprise value		**1 440.0**	1 324.4
Less: net third party debt		**(675.1)**	(731.3)
Equity value		**764.9**	593.1
Brait's shareholding in Iceland Foods [(2)]		**57.1%**	57.1%
Carrying value for Brait's investment in Iceland Foods		**436.8**	338.7
Closing GBP/ZAR exchange rate	R	**16.87**	21.21
Carrying value for Brait's investment in Iceland Foods	R'm	**7 367**	7 181

[(1)] The March 2017 valuation multiple used of 9.0x represents a 19% discount to the peer average trailing three-year EBITDA multiple of 11.1x, and a 20% discount to the peer average spot EBITDA multiple of 11.3x.

[(2)] Following a company buyback of ordinary shares on 21 April 2017, Brait's shareholding in Iceland Foods increases to 60.1%.

		2017 £'m	2016 £'m
2. INVESTMENTS (CONTINUED)			
2.4 New Look			
Maintainable EBITDA		**155.0**	227.2
EV/EBITDA multiple [(1)]		**10.3x**	13.3x
Enterprise value		**1 596.5**	3 021.8
Less: net third party debt		**(1 136.2)**	(1 082.8)
Shareholder value		**460.3**	1 939.0
Less: shareholder funding [(2)]		**(1 017.7)**	(934.1)
Equity Value/(impairment to the value of shareholder funding)		**(557.4)**	1 004.1
Brait's effective equity value participation % [(3) (4)]		**81.0%**	79.9%
Carrying value for Brait's share of equity value		**–**	802.3
Shareholder funding at valuation date		**1 017.7**	934.1
Less: Impairment		**(557.4)**	–
Resulting shareholder funding value		**460.3**	934.1
Brait's shareholder funding participation % [(4)]		**91.0%**	90.1%
Carrying value for Brait's share of shareholder funding		**418.9**	842.0
Carrying value for Brait's investment in New Look [(5)]		**418.9**	1 644.3
Closing GBP/ZAR exchange rate	R	**16.87**	21.21
Carrying value for Brait's investment in New Look	R'm	**7 066**	34 869

(1) The March 2017 valuation multiple used of 10.3x represents a 29% discount to the peer average trailing three-year EBITDA multiple of 14.4x, and a 21% discount to the peer average spot EBITDA multiple of 13.0x.

(2) GBP denominated shareholder funding bears interest at a fixed rate of 10%, is unsecured, with no fixed repayment terms and matures on 25 June 2025. Total shown includes accrued interest to valuation date.

(3) Brait announced on 26 June 2015 the completion of the acquisition of c.90% of New Look. During September 2015, further classes of non-voting share capital (sweet equity) were issued to the New Look management team subject to vesting over a 4 year term. The valuation at reporting date reflects the full dilution to Brait's economic interest in the equity value of New Look.

(4) The increase in participation % over the year is a function of buybacks by the company and/or shareholders from departed New Look management team members.

(5) Brait has entered into a series of put option agreements with the New Look management team, based on Brait's fair value of New Look at the exercise date and as a result, do not expose Brait to fair value risk.

2016 R'm	2017 R'm		2017 €'m	2016 €'m
		3. CASH AND CASH EQUIVALENTS		
		Balances with banks		
4 354	**3 284**		**230**	260
172	**196**	– ZAR cash	**14**	10
69	**77**	– USD cash	**5**	5
4 113	**3 011**	– GBP cash	**211**	245

4. SHARE CAPITAL AND PREMIUM

Authorised share capital

The Company has authorised ordinary share capital of €330 000 000 represented by 1 500 000 000 at par value of 0.22 € cents per share.

The Company has reserved, for the allocation and potential issue from conversion on maturity, 44 642 857 ordinary shares (8.6% of Brait's current issued share capital), in terms of its obligations to the holders of convertible bonds.

The Company has 20 000 000 authorised preference share capital at par value of 0.01 €cents per share (€200 000).

R'm	Number of shares in issue	Issued ordinary share capital	Number of shares in issue	€'m
6 587	**516 490 019**	**31 March 2015**	**516 490 019**	646
1 149		**Share capital**		114
5 438		**Share Premium**		532
	4 134 816	Bonus share issue The €1 million (R12 million) par value of the bonus shares issued is accounted for in Ordinary Share Premium with no adjustment to any other reserves in Equity. The bonus shares issued were converted at a 60 day VWAP ended 29 May 2015 of R90.97 per share to result in the R0.7712 per share distribution translating into 0.84775 shares for every 100 shares held.	**4 134 816**	
(270)		Net treasury shares repurchased		(16)
6 317	**520 624 835**	**31 March 2016**	**520 624 835**	630
1 137		**Share capital**		115
5 180		**Share Premium**		515
	387 339	Bonus share issue The €0.085 million (R1 million) par value of the bonus shares issued is accounted for in Ordinary Share Premium with no adjustment to any other reserves in Equity. The bonus shares issued were converted at a 60 day VWAP ended 29 May 2016 of R157.73 per share to result in the R1.3627 per share distribution translating into 0.86394 shares for every 100 shares held.	**387 339**	
(930)		Net treasury shares repurchased		(65)
5 387	**521 012 174**	**31 March 2017**	**521 012 174**	565
1 136		**Share capital**		115
4 251		**Share Premium**		450

2016	2017	Treasury shares comprise ordinary shares (par value 0.22 € cents):	2017	2016
5 991 081	**7 873 326**	Opening shares held for the vested benefit of Brait SE	**7 873 326**	5 991 081
1 882 245	**6 703 458**	Net shares purchased	**6 703 458**	1 882 245
7 873 326	**14 576 784**	Closing shares held for the vested benefit of Brait SE	**14 576 784**	7 873 326

2016 R'm	**2017 R'm**		**2017 €'m**	2016 €'m
		5. CONVERTIBLE BONDS		
6 621	**5 396**	On 18 September 2015 Brait received GBP350 million from the issuance of its five year unsubordinated, unsecured convertible bonds (Bonds). The Bonds carry a fixed coupon of 2.75% per annum payable semi-annually in arrears. The inital conversion price of GBP7.9214 per ordinary share represented a 30% premium to the VWAP of Brait's ordinary shares between launch and pricing on 11 September 2015. This initial conversion price was adjusted on 10 August 2016 to GBP7.8400 per ordinary share as a result of Brait's bonus share issue and cash dividend alternative in accordance with the Bonds terms and conditions. Using the adjusted conversion price, the Bonds will convert into 44,642,857 ordinary shares (8.6% of Brait's current issued share capital) on exercise of bondholders conversion rights. In the event that the bondholders have not exercised their conversion rights, the Bonds are settled at par value in cash on maturity on 18 September 2020. Brait has a soft call to early settle the Bonds at their par value after 9 October 2018 if the value of the ordinary shares underlying the Bonds is equal to or exceeds GBP130,000 for more than 20 of the 30 consecutive trading days up to 9 October 2018.	**377**	395
		The Bonds listed on the Open Market (Freiverkehr) segment of the Frankfurt Stock Exchange on 15 October 2015.		
		6. BORROWINGS		
1 100	**2 669**	The loan from the FirstRand Bank Limited (trading through its Rand Merchant Bank division) and The Standard Bank of South Africa Limited is Rand denominated, bears interest at JIBAR plus 3.0% repayable quarterly, with a right to rollup. The ZAR8.5 billion facility expires in December 2020 and is secured by Group assets.	**186**	65
21 990	**(15 085)**	**7. INVESTMENT (LOSSES)/GAINS**	**(978)**	1 445
2 491	**1 924**	Virgin Active	**125**	164
2 502	**513**	Premier	**33**	165
1 820	**2 080**	Iceland Foods	**135**	120
15 848	**(26 008)**	New Look	**(1 685)**	1 041
472	**321**	Other investments	**21**	31
564	**–**	Steinhoff	**–**	37
(1 707)	**6 085**	Foreign currency impact [1]	**393**	(113)

[1] The investment gains shown per investment reflects the revaluation uplift for the year at respective constant currency.

The total shown as foreign currency impact is the aggregate for the portfolio in order to reflect the portfolio gains for the year at the average GBP/ZAR and GBP/EUR exchange rates.

Notes to the consolidated financial statements (continued)

for the year ended 31 March

2016 R'm	2017 R'm		2017 €'m	2016 €'m
435	**401**	**8. OPERATING EXPENSES** [1]	**26**	29
17	**17**	Directors fees	**1**	1
389	**350**	Advisory and professional fees [2]	**23**	26
14	**14**	Travel and accommodation	**1**	1
10	**16**	Other operating expenses	**1**	1
5	**4**	Audit fees	**–**	–
1	**1**	Audit fees paid to parent company auditor	**–**	–
4	**3**	Audit fees paid to auditor network firms	**–**	–
		[1] Operating expenses does not include Professional fees incurred for the migration of Brait SE to the United Kingdom. These expenses are included in Other expenses.		
		[2] Includes legal fees, internal audit fees, administration and corporate advisory fees		
		9. FINANCE COSTS		
612	**549**	Facility and convertible bond interest expense	**36**	40
359	**110**	Raising and commitment fees	**7**	23
971	**659**	**Total finance cost**	**43**	63
		10. TAXATION		
–	**–**	Malta	**–**	–
		Foreign income tax expense		
24	**29**	Current	**2**	2
24	**29**	**Total taxation expense**	**2**	2
		Tax reconciliation Certain subsidiaries are domiciled outside of Malta and are subject to taxes on profits at the rates prevailing in the respective jurisdictions. The reconciliation of the tax rate below starts with the Company tax position in its Malta domicilium. In Malta, the jurisdiction that the holding Company is registered, the income tax rate at 31 March 2017 is 35% (March 2016: 35%)		
%	**%**		**%**	%
35	**35**	Tax rate	**35**	35
(20)	**(20)**	Foreign tax rate adjustments	**(20)**	(20)
(15)	**(15)**	Effect of non-taxable income - Dividends and other non-taxable gains	**(15)**	(15)
–	**–**	Effective tax rate % for the year	**–**	–

2016 R'm	2017 R'm		2017 €'m	2016 €'m
136.27	**78.15**	**11. ORDINARY DIVIDENDS PER SHARE (CENTS)**	**5.25**	7.76
		The Board has proposed a final dividend of 5.25€ cents/78.15ZAR cents per share for the year ended 31 March 2017.		
		The shareholders will be asked to approve the payment of the final dividend for the year ended 31 March 2017 at the annual general meeting of shareholders to be held on 26 July 2017 in Malta.		
		12. HEADLINE EARNINGS RECONCILIATION		
22 157	**(15 854)**	(Loss)/profit for the year	**(1 028)**	1 456
(98)	**–**	Preference dividend paid December	**–**	(5)
(60)	**–**	Preference dividend paid June	**–**	(3)
21 999	**(15 854)**	(Loss)/earnings and headline (loss)/earnings	**(1 028)**	1 448
512	**508**	Weighted average ordinary shares in issue (m) – basic	**508**	512
4 294	**(3 119)**	(Loss)/earnings and headline (loss)/earnings per share (cents) – basic	**(202)**	283
21 999	**(15 854)**	(Loss)/earnings and headline (loss)/earnings	**(1 028)**	1 448
189	**318**	(Loss)/earnings adjustment for Bond interest saved if Bonds converted to shares	**21**	12
22 188	**15 536**	Diluted (loss)/earnings and headline (loss)/earnings	**(1 007)**	1 460
536	**553**	Weighted average ordinary shares in issue (m) – diluted [1]	**553**	536
4 141	**(2 809)**	(Loss)/earnings and headline (loss)/earnings per share (cents) – diluted	**(182)**	272
		[1] All ordinary shares underlying the Bonds are treated as dilutive and weighted from issue of the Bonds on 11 September 2015		
		13. CASH FLOW INFORMATION		
		13.1 Investment proceeds received		
–	**220**	Premier	**15**	–
1 642	**80**	Other investments	**6**	106
15 770	**–**	Steinhoff	**–**	1 023
26	**–**	Iceland Foods	**–**	2
17 438	**300**	Total investment proceeds received	**21**	1 131
		13.2 Purchase of investments		
846	**167**	Premier	**11**	55
12 715	**20**	Virgin Active	**1**	825
456	**3**	Other investments	**–**	30
14 407	**–**	New Look	**–**	1 062
3 775	**–**	Iceland Foods	**–**	250
32 199	**190**	Total purchase of investments	**12**	2 222

Notes to the consolidated financial statements (continued)

for the year ended 31 March

31 March 2016 R'm	**31 March 2017 R'm**		**31 March 2017 €'m**	31 March 2016 €'m
		14. RELATED PARTY BALANCES		
		Transactions between the Company and its subsidiaries have been eliminated on consolidation or on fair value of subsidiaries and are not disclosed in this note. During the year, Group companies entered into the following transactions with related parties who are not members of the Group.		
		Profit from operations include:		
(17)	**(17)**	Non-executive directors' fees	**(1)**	(1)
(5)	**(5)**	Professional fees – M Partners S.à r.l	**–**	–
(1)	**(1)**	Professional fees – Maitland International Holdings Plc	**–**	–
–	**(8)**	Other expenses – Maitland International Holdings Plc	**(1)**	–
		15. CONTINGENT LIABILITIES AND COMMITMENTS		
		15.1 Contingencies		
1 841	**2 048**	Loan to Fleet Holdings Ltd (Fleet)	**143**	110
(1 841)	**(2 048)**	Loan from Fleet	**(143)**	(110)
-	**-**	Net loan to Fleet	**–**	–

Fleet (the Investment Team's SPV) refinanced its loan from the Group with The Standard Bank of South Africa Limited and First Rand Bank Limited (trading through its Rand Merchant Bank division) ("The Lenders"). The proceeds from the refinance were advanced back to the Group as a new separate loan.

The loans both bear interest at the 3 month Johannesburg Inter Bank Acceptance Rate ("JIBAR") plus 3.45%, with the right to roll up interest. The loans both mature on 4 July 2021.

Brait has provided the Lenders to Fleet with an indemnity for the amount owing. Brait holds collateral in the form of pledged Brait shares for the indemnification.

31 March 2016 R'm	**31 March 2017 R'm**		**31 March 2017 €'m**	31 March 2016 €'m
		15. CONTINGENT LIABILITIES AND COMMITMENTS (CONTINUED)		
		15.2 Commitments		
8 340	**6 472**	**Convertible Bond commitments**	**451**	497
204	**162**	– Coupon payment due within one year	**11**	12
714	**406**	– Coupon payments due between one and five years [(1)]	**28**	43
7 422	**5 904**	– Principal settlement due within five years [(1)]	**412**	442
		[(1)] The coupon payments due amounts reflect the semi-annual coupons payable in arrears over the Bond's five year term. The principal settlement due amount is only payable in the event that the bondholders have not exercised their conversion rights. Brait has a soft call to early settle the Bonds at their par value after 9 October 2018 if the value of the ordinary shares underlying the Bonds is equal to or exceeds GBP130,000 for more than 20 of the 30 consecutive trading days up to 9 October 2018. If the soft call is exercised, coupons from 18 September 2018 to 18 September 2020 will not be payable.		
117	**121**	Private equity funding commitments	**8**	7
		Rental commitments (Malta and Mauritius)		
2	**2**	– Within one year	**–**	–
3	**3**	– Between one and five years	**–**	–
8 462	**6 598**	**Total commitments**	**459**	504
		15.3 Other		
		The Group has rights and obligations in terms of shareholder or purchase and sale agreements relating to its present or former investments.		

16. POST BALANCE SHEET EVENTS

No events have taken place between 31 March 2017 and the date of the release of this report, which would have a material impact on either the financial position or operating results of the Group.

17. FINANCIAL ASSETS AND LIABILITIES

17.1 Sector Analysis for investments

2016 R'm	**2017 R'm**		**2017 €'m**	2016 €'m
17 579	**15 516**	Consumer services – fitness	**1 083**	1 048
11 637	**12 395**	Consumer goods – food products	**865**	693
7 181	**7 367**	Consumer goods – food retailers	**514**	428
34 869	**7 066**	Consumer services – apparel retailers	**493**	2 078
1 770	**2 064**	Other	**145**	105
73 036	**44 408**		**3 100**	4 352

17.2 Investments shareholding analysis:

	2017	2016
Shareholding in the < 10% range	**Other investments**	Other investments
Shareholding in the > 25% range	**Virgin Active**	Virgin Active
	Premier	Premier
	Iceland Foods	Iceland Foods
	New Look	New Look
	Other investments	Other investments

17. FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

17.3 CATEGORIES OF FINANCIAL INSTRUMENTS

Financial assets and liabilities are measured on an ongoing basis either at fair value or at amortised cost. The summary of significant accounting policies describes how the classes of financial instruments are measured. The following table analyses the carrying amounts of the financial assets and liabilities by category as defined in IAS 39.

2016 R'm	**2017 R'm**		**2017 €'m**	2016 €'m
69 993	**41 275**	Financial Assets designated at fair value though profit and loss	**2 881**	4 172
36 442	**20 457**	Investment in equity securities#	**1 428**	2 172
33 551	**20 818**	Shareholder funding# (New Look and Virgin Active)	**1 453**	2 000
3 288	**3 138**	Financial Assets at amortised cost	**219**	195
3 043	**3 133**	Shareholder funding (Premier and Other investments)#	**219**	180
245	**5**	Accounts receivable	**–**	15
(7 763)	**(8 117)**	Financial Liabilities at amortised cost	**(567)**	(463)
(42)	**(52)**	Accounts payable and other liabilities	**(4)**	(3)
(6 621)	**(5 396)**	Convertible bonds	**(377)**	(395)
(1 100)	**(2 669)**	Borrowings	**(186)**	(65)
21 990	**(15 085)**	Change in fair value recognised in the statement of comprehensive income	**(978)**	1 445
21 990	**(15 085)**	Designated fair valued through profit and loss	**(978)**	1 445

Statement of financial position reflects the aggregate as Investments

17.4 Fair Value Hierarchy

IFRS 13 provides a hierarchy that classifies inputs employed to determine fair value. Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 Inputs for the assets or liability that are not based on observable market data.

There are no financial assets that are categorised as Level 2 in the current or prior year. All Level 3 investments have been valued using a maintainable earnings multiple model.

Notes to the consolidated financial statements (continued)

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17. FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

17.4 Fair Value Hierarchy (continued)

FAIR VALUE HIERARCHY

There are no financial assets that are categorised as Level 2 in the current or prior year

Investment Level 1 R'm	Investment Level 3 R'm	Total R'm	Investment designated as Fair Value through profit & loss	Investment Level 1 €'m	Investment Level 3 €'m	Total €'m
			2017			
–	**15 516**	**15 516**	Virgin Active	**–**	**1 083**	**1 083**
–	**9 541**	**9 541**	Premier	**–**	**666**	**666**
–	**7 367**	**7 367**	Iceland Foods	**–**	**514**	**514**
–	**7 066**	**7 066**	New Look	**–**	**493**	**493**
1	**1 784**	**1 785**	Other	**–**	**125**	**125**
1	**41 274**	**41 275**	**Investments at Fair Value**	**–**	**2 881**	**2 881**
			2016			
–	17 579	17 579	Virgin Active	–	1 048	1 048
–	8 911	8 911	Premier	–	531	531
–	7 181	7 181	Iceland Foods	–	428	428
–	34 869	34 869	New Look	–	2 078	2 078
1	1 452	1 453	Other	–	87	87
1	69 992	69 993	Investments at Fair Value	–	4 172	4 172

18. FINANCIAL RISK MANAGEMENT

The overall governance structure and high level policies relating to the manner in which Brait manages the risk it is exposed to have been described in the Governance Report on pages 63 to 69. IFRS 7 requires more detail regarding the processes and procedures utilised to measure various risk categories, namely market risk, credit risk and liquidity risk.

18.1 CAPITAL MANAGEMENT

The Group policy is to maintain a strong capital base so as to maintain investor and market confidence and to sustain the future development of the business. The Group has certain performance targets - one being the objective to achieve a long-term growth on its net asset value (NAV), in excess of 15% compound annual growth rate (CAGR) as measured over any three-year period.

The Group's dividend policy is an ordinary bonus share issue or cash dividend alternative of 1% to 2.5% of closing NAV. Bonus shares and dividends are considered annually when the results for each year are published, taking into account the Group's available resources.

The capitalisation of Brait has been considered in the context of its existing cash and near cash resources; its current debt levels; convertible bonds funding and associated obligations; as well as the Board approved plans to deploy capital within the planning horizon. The result of this consideration is that Brait is regarded as appropriately capitalised at this time. This will continue to be reviewed by the Board. There are no regulatory capital requirements.

18. FINANCIAL RISK MANAGEMENT (CONTINUED)

18.2 MARKET RISK

Market risk is the potential change in the value of a financial instrument resulting from changes in market conditions or market parameters such as equity prices, exchange rates or interest rates. The risk of a decrease in the value of the portfolio can be measured by the susceptibility of that portfolio to movements in the overall market conditions or any of the investment specific parameters.

Brait is exposed to three primary types of market risk, namely equity risk, interest rate risk and currency risk. These risks are monitored by the Board. The specific risk management objectives, policies and procedures relating to each type of market risk is described, and the impact on the statement of comprehensive income (SOCI)/statement of changes in equity (SOCE) is disclosed, in the sections below:

18.2.1 Equity risk management

Equity risk is the potential change in the value of a financial instrument resulting from changes in market conditions. The valuation of unquoted investments depend upon a combination of market factors and the performance of the underlying asset. The Group does not hedge the price risk inherent in the portfolio but manages investment performance risk on an investment-specific basis.

Brait is exposed to equity risk through its investment in portfolio companies.

Brait's predominant exposure to equity risk is related to the sensitivities of movements in the fair value of its investments.

The table that follows sets out an analysis of the Group's investment's sensitivity to equity price variability by analysing the standard deviation of the market peers' listed prices. This measures the degree to which an investment's peers' prices have varied one standard deviation from its mean return over a period. The higher the standard deviation of an investment, the higher the risk that the investment will cause increased loss to investors. This sensitivity analysis shows the value in each portfolio that is susceptible to changes in overall market conditions as well as the statement of comprehensive income effect of a change in value by one standard deviation. The standard deviation is calculated for each underlying peer in each investment and then aggregated for each investment category. Investments have been excluded from the sensitivity analysis where market risk cannot be measured with accuracy due to insufficient information on underlying peers.

Carrying value at year end R'm	Carrying value exposed to market risk R'm	Reasonable possible change	Pre-tax SOCI/SOCE impact ±R'm	2017	Carrying value at year end €'m	Carrying value exposed to market risk €'m	Reasonable possible change	Pre-tax SOCI/SOCE impact ±€'m
44 408	20 457	8%	1 625	Investments	3 100	1 428	8%	114
5	–		–	Accounts receivable	–	–		–
3 284	–		–	Cash and cash equivalents	230	–		–
47 697	**20 457**		**1 625**	**Total financial assets**	**3 330**	**1 428**		**114**
2 669	–		–	Borrowings	186	–		–
5 396	–		–	Convertible bond	377	–		–
52	–		–	Accounts payable	4	–		–
8 117	**–**		**–**	**Total financial liabilities**	**567**	**–**		**–**

18. FINANCIAL RISK MANAGEMENT (CONTINUED)

18.2 MARKET RISK (CONTINUED)

18.2.1 Equity risk management continued

Carrying value at year end R'm	Carrying value exposed to market risk R'm	Reasonable possible change	Pre-tax SOCI/SOCE impact ±R'm	2016	Carrying value at year end €'m	Carrying value exposed to market risk €'m	Reasonable possible change	Pre-tax SOCI/SOCE impact ±€'m
73 036	36 442	11%	3 876	Investments	4 352	2 172	11%	231
245	–		–	Accounts receivable	15	–		–
4 354	–		–	Cash and cash equivalents	260	–		–
77 635	36 422		3 876	**Total financial assets**	4 627	2 172		231
1 100	–		–	Borrowings	65	–		–
6 621	–		–	Convertible bonds	395	–		–
42	–		–	Accounts payable	3	–		–
7 763	–		–	**Total financial liabilities**	463	–		–

18.2.2 Interest rate risk management

Interest rate risk refers to the impact on future cash flows and earnings of interest rates re-pricing either at different points in time or on a different basis on assets and liabilities. The Group assesses interest rate risk at different levels depending on where the risk arises. Where appropriate, interest rate risk profiles are matched in order to reduce the impact of interest rate volatility and to match the estimated yield of the underlying portfolio company investments to borrowings used to fund those investments. This is done where it is considered appropriate and may be achieved through either fixed rate funding or interest rate derivative instruments.

Shareholder funding, other than those designated at fair value through profit or loss, are carried at amortised cost. The amortised cost valuation for Premier shareholder funding approximate fair value as these loans are variable at market related rates. Shareholder funding in New Look and Virgin Active have been designated at fair value through profit and loss. These loans carry a fixed rate of 10% compounded annually and are thus not exposed to interest rate risk.

The Convertible Bonds are accounted for as compound financial instruments. They carry a fixed coupon of 2.75% per annum payable semi-annually in arrears. The fair value of the liability component is initially recognised as the present value of the future coupon and principal payments. The discount rate used is a market rate for similar liabilities that do not have the equity conversion component. Subsequent to initial recognition, the liability component is measured at amortised cost using the discount rate at initial recognition of 5.51%.

The Brait Group's borrowings bear interest at a variable rate linked to the 3 month JIBAR.

The Bonds are traded on the Open Market (Freiverkehr) segment of the Frankfurt Stock Exchange. The last traded price on 31 March 2017 is GBP94 140.

18. FINANCIAL RISK MANAGEMENT (CONTINUED)
18.2 MARKET RISK (CONTINUED)
18.2.2 Interest rate risk management continued

Carrying value at year end Rm	Carrying value exposed to interest rate risk Rm	Index to which interest rate is linked	Reasonable possible change	Pre-tax SOCI/ SOCE impact ±R'm	2017	Carrying value at year end €'m	Carrying value exposed to interest rate risk €'m	Index to which interest rate is linked	Reasonable possible change	Pre-tax SOCI/ SOCE impact ±€'m
22 582	**20 818**	**Fixed rate**	**–**	**–**	New Look & Virgin Active	**1 577**	**1 453**	**Fixed rate**	**–**	**–**
21 826	**3 133**	**Prime (SA)**	**1%**	**31**	Premier and Other investments	**1 523**	**219**	**Prime (SA)**	**1%**	**2**
44 408	**23 951**			**31**	Total investments	**3 100**	**1 672**			**2**
5	**–**			**–**	Accounts receivable	**–**	**–**			**–**
3 284	**3 207**			**3**	Cash and cash equivalents	**230**	**225**			**–**
3 011	**3 011**	**Base rate (UK)**	**0.025%**	**1**	– GBP	**211**	**211**	**Base rate (UK)**	**0.025%**	**–**
196	**196**	**Prime (SA)**	**1%**	**2**	– ZAR	**14**	**14**	**Prime (SA)**	**1%**	**–**
77	**–**			**–**	– USD	**5**	**–**			**–**
47 697	**27 158**			**34**	**Total financial assets**	**3 330**	**1 897**			**2**
2 669	**2 669**	**Jibar**	**1%**	**27**	Borrowings	**186**	**186**	**Jibar**	**1%**	**2**
5 396	**5 396**	**Fixed rate**	**-**	**–**	Convertible bond	**377**	**377**	**Fixed rate**	**-**	**–**
52	**–**			**–**	Accounts payable	**4**	**–**			**–**
8 117	**8 065**			**27**	**Total financial liabilities**	**567**	**563**			**2**
					2016					
52 448	33 551	Fixed Rate	–	–	New Look & Virgin Active	3 126	2 000	Fixed rate	–	–
20 558	3 043	Prime (SA)	1%	30	Premier and Other investments	1 226	180	Prime (SA)	1%	2
73 036	36 594			30	Total investments	4 352	2 180			2
245	–			–	Accounts receivable	15	–			
4 354	4 285			3	Cash and cash equivalents	260	255			–
4 113	4 113	Base rate (UK)	0.025%	1	– GBP	245	245	Base rate (UK)	0.025%	–
172	172	Prime (SA)	1%	2	– ZAR	10	10	Prime (SA)	1%	–
69	–			–	– USD	5	–			–
77 635	40 879			33	**Total financial assets**	4 627	2 435			2
1 100	1 100	Jibar	1%	11	Borrowings	65	65	Jibar	1%	1
6 621	6 621	Fixed rate	–	–	Convertible bonds	395	395	Fixed rate	–	–
42	–			–	Accounts payable	3	–			–
7 763	7 721			11	**Total financial liabilities**	463	460			1

18. FINANCIAL RISK MANAGEMENT (CONTINUED)

18.2 MARKET RISK (CONTINUED)

18.2.3 Foreign exchange rate risk management

The Group's financial statements are prepared using both the Euro and Rand as its presentation currencies. The Group's subsidiaries have one of three functional currencies: GBP (£/GBP), SA Rand or USD (US$). The holding company, Brait SE, and its main operating subsidiaries use GBP as their functional currency.

The Group's primary investments are GBP and Rand denominated. The table below analyses direct foreign currency exposure to the Rand and Euro presentation currencies.

Carrying value at year end R'm	Carrying value exposed to foreign exchange risk R'm	Currency exposure	Reason-able possible change	Pre-tax SOCI/SOCE impact ±R'm	2017	Carrying value at year end €m	Carrying value exposed to foreign exchange risk €m	Currency exposure	Reason-able possible change	Pre-tax SOCI/SOCE impact ±€m
44 408	**29 998**	**GBP/USD**	**20%**	**6 000**	Investments	**3 100**	**3 100**	**GBP/USD/ZAR**	**15%**	**465**
5	**–**			**–**	Accounts receivable	**–**	**–**	**ZAR**	**15%**	**–**
3 284	**3 088**			**617**	Cash and cash equivalents	**230**	**230**			**35**
3 011	**3 011**	**GBP**	**20%**	**602**	– GBP	**211**	**211**	**GBP**	**15%**	**32**
196	**–**			**–**	– ZAR	**14**	**14**	**ZAR**	**15%**	**2**
77	**77**	**USD**	**20%**	**15**	– USD	**5**	**5**	**USD**	**15%**	**1**
47 697	**33 086**			**6 617**	**Total financial assets**	**3 330**	**3 330**			**500**
2 669	**–**			**–**	Borrowings	**186**	**186**	**ZAR**	**15%**	**28**
5 396	**5 396**	**GBP**	**20%**	**1 079**	Convertible bond	**377**	**377**	**GBP**	**15%**	**57**
52	**–**			**–**	Accounts payable	**4**	**4**	**ZAR**	**15%**	**–**
8 117	**5 396**			**1 079**	**Total financial liabilities**	**567**	**567**			**85**
					2016					
73 036	59 709	GBP/USD	20%	11 942	Investments	4 352	4 352	GBP/USD/ZAR	15%	653
245	–			–	Accounts receivable	15	15	ZAR	15%	2
4 354	4 182			837	Cash and cash equivalents	260	260			40
4 113	4 113	GBP	20%	823	– GBP	245	245	GBP	15%	37
172	–			–	– ZAR	10	10	ZAR	15%	2
69	69	USD	20%	14	– USD	5	5	USD	15%	1
77 635	63 891			12 779	**Total financial assets**	4 627	4 627			695
1 100	–			–	Borrowings	65	65	ZAR	15%	10
6 621	6 621	GBP	20%	1 324	Convertible bonds	395	395	GBP	15%	59
42	–			–	Accounts payable	3	3	ZAR	15%	–
7 763	6 621			1 324	**Total financial liabilities**	463	463			69

18. FINANCIAL RISK MANAGEMENT (CONTINUED)

18.3 CREDIT RISK

Credit and counterparty risk refers to the effects on future cash flows and earnings of borrowers defaulting on their obligations. This also covers trading counterparties, issuers of instruments held by the Group or as collateral. Such risk arises primarily from lending and investment activities as well as from the settlement of financial market transactions.

These exposures are managed through prudent credit exposure limits, constantly measuring current credit exposures, estimating maximum potential credit exposures that may arise over the duration of a transaction, and responding quickly when corrective action needs to be taken.

The Group's assets are predominantly unsecured investments in unlisted companies. The Group considers the overall risk exposure of the investment as a whole, therefore significant changes in a particular sector or unexpected increases in interest rates could increase the credit risk inherent in the investment. This risk is mitigated through portfolio diversification and active management.

Unless otherwise indicated, the maximum exposure to credit risk is the carrying value of the investment. Given the nature of the risk in loans to investee companies, no additional collateral is taken against the credit risk exposures.

The Group's remaining financial assets are mainly in the form of deposits spread over reputable banks. Brait has provided the Lenders to Fleet with an indemnity for the amount owing. Brait holds collateral in the form of pledged Brait shares for the indemnification (see note 15).

Loan Investments R'm	Accounts Receivable R'm	Cash and cash equivalents R'm	Total R'm	Analysis of Credit Quality	Loan Investments €m	Accounts Receivable €m	Cash and cash equivalents €m	Total €m
low	low	low		**Quantitative analysis (high/medium/low)**	low	low	low	
23 951	**5**	**3 284**	**27 240**	2017 Financial assets that are neither past due nor impaired	**1 672**	**–**	**230**	**1 902**
36 594	245	4 354	41 193	2016 Financial assets that are neither past due nor impaired	2 180	15	260	2 455

18.4 LIQUIDITY RISK

Liquidity risk arises in the general funding of the Group's activities when there are mismatches between the sizes and maturities of assets and liabilities. The liquidity risk refers to the ability of the Group to meet its financial obligations as they fall due. Please see note 6 – Borrowings and note 15 – Contingent liabilities and commitments for maturity profile details.

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The liquidity position and forecast liquidity requirements are based on anticipated changes in the statement of financial position. These are tested against various different stress scenarios. The scenarios are used to identify consequences of market rate changes (including extreme but remote changes) and the Group's cash position is evaluated and adjusted accordingly.

Company statement of financial position

as at 31 March

	Notes	**Audited 31 March 2017 €'m**	Audited 31 March 2016 €'m
ASSETS			
Non-current assets		**1 461.8**	1 524.4
Investments	3	**1 461.8**	1 524.4
Current assets		**3.8**	50.5
Loans receivable	4	**–**	48.1
Cash and cash equivalents		**3.8**	2.4
Total assets		**1 465.6**	1 574.9
EQUITY AND LIABILITIES			
Ordinary shareholders' equity and reserves	5	**1 035.2**	1 179.7
Share capital		**114.8**	114.7
Share premium		**532.5**	532.6
Foreign currency translation reserve		**216.9**	299.3
Convertible bond reserve		**57.3**	57.3
Retained earnings		**113.7**	175.8
Non-current liabilities			
Convertible Bond	5	**376.7**	394.5
Current liabilities		**53.7**	0.7
Loans payable	4	**52.1**	–
Other payables		**0.2**	0.3
Accounts payable		**1.4**	0.4
Total equity and liabilities		**1 465.6**	1 574.9

The financial statements set out on pages 120 to 125 were approved by the Board, authorised for issue on 13 June 2017 and signed on its behalf by:

PJ Moleketi
Chairman

HRW Troskie
Director

Company statement of comprehensive income

for the year ended 31 March

	Audited 31 March 2017 €'m	Audited 31 March 2016 €'m
Foreign exchange gain	**4.0**	19.2
Interest income	**0.1**	0.1
Total Income	**4.1**	19.3
Professional fees	**(0.9)**	(1.0)
Directors fees	**(0.7)**	(0.9)
Audit fees	**(0.2)**	(0.1)
Other operating expenses	**(0.8)**	(0.4)
Operating expenses	**(2.6)**	(2.4)
Other expenses	**(0.5)**	–
Profit from operations	**1.0**	16.9
Finance cost	**(20.7)**	(17.9)
Loss before tax	**(19.7)**	(1.0)
Taxation	**(0.1)**	(0.3)
Loss for the year	**(19.8)**	(1.3)
Loss on foreign currency translation reserve	**(82.4)**	(71.6)
Total comprehensive loss for the year	**(102.2)**	(72.9)

19 Company statement of changes in equity

for the year ended 31 March

	Share capital €'m	Share premium €'m	Foreign currency translation reserve €'m	Convertible bond reserves €'m	Non distributable earnings €'m	Retained earnings €'m	Total €'m
Ordinary shareholders balance at 31 March 2015	113.8	533.5	370.9	–	43.8	151.7	1 213.7
Net translation adjustments	–	–	(71.6)		–		(71.6)
Preference share issue cost						(2.0)	(2.0)
Transfer between reserves	–	–	–	–	(43.8)	43.8	–
Convertible Bond	–	–	–	57.3	–	–	57.3
Bonus share issue and ordinary dividends	0.9	(0.9)	–	–	–	(1.3)	(1.3)
Earnings attributed to preference shares	–	–	–	–	–	(15.1)	(15.1)
Loss for the year	–	–	–	–	–	(1.3)	(1.3)
Ordinary shareholders balance at 31 March 2016	114.7	532.6	299.3	57.3	–	175.8	1 179.7
Net translation adjustments	**–**	**–**	**(82.4)**	**–**	**–**	**–**	**(82.4)**
Bonus share issue and ordinary dividends	**0.1**	**(0.1)**	**–**	**–**	**–**	**(42.3)**	**(42.3)**
Loss for the year	**–**	**–**	**–**	**–**	**–**	**(19.8)**	**(19.8)**
Ordinary shareholders balance at 31 March 2017	**114.8**	**532.5**	**216.9**	**57.3**	**–**	**113.7**	**1 035.2**

Company statement of cash flows

for the year ended 31 March

	Notes	Audited 31 March 2017 €'m	Audited 31 March 2016 €'m
Cash flows from operating activities:			
Investment proceeds received	3	**15.7**	1.8
Taxation paid		**–**	(0.3)
Operating expenses paid		**(2.2)**	(1.3)
Operating cash flow excluding purchase of investments		**13.5**	0.2
Purchase of investments	3	**(58.2)**	(260.9)
Net cash used in operating activities		**(44.7)**	(260.7)
Preference shares redemption		**–**	(108.8)
Proceeds from issuance of convertible bond		**–**	481.0
Finance cost paid		**(11.5)**	(11.4)
Net cash flow from/(to) affiliated entities	4	**101.9**	(74.8)
Ordinary dividend paid (cash election)		**(42.3)**	(1.3)
Preference dividend paid		**–**	(15.1)
Net cash from financing activities		**48.1**	269.6
Net increase in cash and cash equivalents		**3.4**	8.9
Effects of exchange rate changes on cash and cash equivalents		**(2.0)**	(7.0)
Cash and cash equivalents at beginning of year		**2.4**	0.5
Cash and cash equivalents at end of year		**3.8**	2.4

Notes to the company financial statements

for the year ended 31 March

1 GENERAL

At an Extraordinary General Meeting (EGM) on 22 August 2011, the board of directors approved a resolution to (i) merge Brait Society Anonyme the company incorporated in Luxembourg on 5 May 1976 with a Maltese subsidiary Brait Malta p.l.c., (ii) to convert the company into a European Company (Societas Europaea) and (iii) to change the domiciliation from Luxembourg to Malta.

The financial year of the Company begins on the first day of April and ends on the last day of March.

2 ACCOUNTING POLICIES

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, on the going concern principle, using the historic cost basis, except where otherwise indicated, and in agreement with the laws and regulations in force in the Republic of Malta.

The Company's financial statements are prepared using Euro(€/EUR) as its presentation currency and using GBP(£/GBP) as its functional currency.

All significant accounting policies and methods of computation are consistent with the group accounting policies detailed in note 1 to the Notes of the Group financial statements, except that investments in subsidiaries are measured at cost less any accumulated impairment losses in its separate financial statements.

3 INVESTMENTS

€'m	2017	2016
Shares in affiliated undertakings	**1 461.8**	1 524.4
Brait Malta Limited (1)	**1 385.5**	1 486.8
Brait Investment Trust (2)	**76.3**	37.6

(1) Brait Malta Limited

Registered Office: 4th Floor, Avantech Building, St Julian's Road, San Gwann, Malta
Holding: 100%, Latest audited year end: 31 March 2016
Capital and reserves: USD1.689 billion, Profit or loss: USD0.1 million

€'m	2017	2016
Opening balance	**1 486.8**	1 396.6
Follow on investments (2017: Nil, 2016: GBP 165.0 million)	**–**	226.7
Foreign currency translation	**(101.3)**	(136.5)
Closing balance	**1 385.5**	1 486.8

(2) Brait Investment Trust

Registered Office: 4th Floor, Avantech Building, St Julian's Road, San Gwann, Malta
Holding: 100%, Latest audited year end: 31 March 2014
Capital and reserves: €10.015 million, Profit or loss: €3.64 million
Investment at acquisition cost: GBP29.8 million

€'m	2017	2016
Opening balance	**37.6**	9.5
Capital distribution received	**(15.7)**	(1.8)
Capital contribution paid	**58.2**	34.2
Foreign currency translation	**(3.8)**	(4.3)
Closing balance	**76.3**	37.6

4 LOANS (PAYABLE)/RECEIVABLE

€'m	2017	2016
Loans (payable)/receivable at amortised cost	**(52.1)**	48.1
Represented by:		
– Brait Malta Limited [(1)]	**(52.1)**	48.1

[(1)] *The amount owed (to)/by Brait Malta Limited is unsecured and interest free with no fixed date for repayment. Brait Malta Limited has no unconditional rights to defer settlement as the amount due is payable on demand.*

5 ORDINARY SHARE CAPITAL AND PREMIUM, CONVERTIBLE BOND RESERVE, ORDINARY DIVIDENDS AND CAPITAL RISK MANAGEMENT

Please refer to notes 4, 5, 11 and 18 to the Group Financial Statements on pages 106, 107, 109 and 114 for disclosure of share capital and share premium, convertible bond, ordinary dividends and capital risk management of the Notes to the Group financial statements.

6 CONTINGENCIES AND COMMITMENTS

Please refer to note 15 of the Consolidated financial statements on page 110.

7 POST BALANCE SHEET EVENTS

No events have taken place between 31 March 2017 and the date of the release of this report, which would have a material impact on either the financial position or operating results of the Company

8 RELATED PARTY BALANCES

During the year, the Company entered into the following transactions with related parties:

€'m	2017	2016
Company statement of financial position:		
Investments	**1 461.8**	1 524.4
Loans (payable)/receivable from Brait Malta Limited	**(52.1)**	48.1
Company statement of comprehensive income:		
Directors fees	**0.7**	0.9
Other charges (Professional fees - Maitland International Holdings Plc)	**0.1**	0.1

Definitions

ASSETS UNDER MANAGEMENT (AUM)
Assets under management represents the aggregate of the Group's total assets and Brait IV invested capital under management.

AVERAGE SHAREHOLDERS' FUNDS
The average of the shareholders' funds at the beginning and end of the financial year.

BASIC EARNINGS PER SHARE (CENTS)
Basic earnings per share are calculated by dividing basic earnings attributable to shareholders by the weighted number of shares in issue during the period.

CASH AND CASH EQUIVALENTS
Cash and cash equivalents comprise cash on hand, deposits held with banks on call, investments in money market securities.

CLOSING PRICE
The closing market price of a Brait share on the Lux SE and JSE Limited exchanges at the Group's financial year-end.

COMPOUND ANNUAL GROWTH RATE (CAGR)
The year-over-year growth rate over a specified period of time, i.e. annualising of a return over any distinct period.

CONSTANT CURRENCY
Represents, for new investments, the exchange rate at acquisition, and, for prior year investments, the exchange rate at the beginning of the financial year.

DILUTED EARNINGS/HEADLINE EARNINGS PER SHARE (CENTS)
Diluted earnings/headline earnings per share are calculated by adjusting the earnings/headline earnings by the after-tax effect of any changes in income and expenses that would result from the issue of shares from dilutive instruments. The resultant earnings are divided by the weighted average number of ordinary shares in issue, including all dilutive instruments, excluding the number of treasury shares.

DIVIDEND YIELD
Dividend per share expressed as a percentage of the closing share price per share.

EARNINGS PER SHARE
Basic attributable earnings divided by the weighted average number of shares in issue, less the number of treasury shares, expressed in cents.

EARNINGS YIELD
Basic earnings per share expressed as a percentage of the closing price per share.

EFFECTIVE TAX RATE (%)
The effective tax rate is the direct taxation charge per the income statement expressed as a percentage of profit before taxation.

GEARING
Gearing represents the ratio of average total assets to average ordinary shareholders' equity, and therefore indicates the extent to which the Group uses debt financing to fund assets.

GROUP/BRAIT
Brait SE and its subsidiaries from time to time.

HEADLINE EARNINGS
For the purposes of definition and calculation the guidance given on headline earnings, as issued by the South African Institute of Chartered Accountants (SAICA) in circular 2/2015 has been used. Headline earnings consist of basic earnings attributable to ordinary shareholders adjusted for goodwill impairments, profits or losses on disposal of fixed assets and interests in subsidiaries and associates. The gains or losses on the hedge of the net investments in a foreign operation are included in headline earnings.

HEADLINE EARNINGS PER SHARE (CENTS)
Headline earnings per share are calculated by dividing headline earnings by the weighted number of ordinary shares in issue during the period.

INTERNAL RATE OF RETURN (IRR)
The rate that makes the sum of net present value of all investment cash flows equal zero, where the current fair value is assumed as the terminal value where the investment has not been realised.

INTRA VIRES
Within power

IFRS
International Financial Reporting Standards, as issued by the International Accounting Standards Board (IASB).

NET ASSET VALUE (NAV) PER SHARE
Ordinary shareholders' funds, which includes preference dividends declared up to year-end, divided by the number of outstanding ordinary shares.

OUTSTANDING ORDINARY SHARES
Ordinary shares in issue less ordinary (treasury) shares held for the vested benefit of the Group.

PREFERENCE SHARE TRANSACTION COSTS
Costs directly and indirectly incurred from the issue of cumulative, non-participating preference shares.

PRICE EARNINGS RATIO
The closing price per share divided by the basic earnings per share.

RIGHTS OFFER TRANSACTION
Brait's rights offer transaction as per the circular to shareholders on 18 April 2011.

SHAREHOLDERS' FUNDS
Ordinary share capital, share premium and all reserves. Ordinary share capital and share premium have been reduced by ordinary shares held in treasury.

SOCI
Statement of comprehensive income

SKU
Stock Keeping Units

TREASURY SHARES
Brait SE ordinary shares held by the Group for the vested benefit of the Group.

TREASURY CAPITAL
Treasury capital refers to both the function of managing the funding and capital requirements of the Group, including investment of surplus cash and cash equivalents, as well as the related treasury assets and borrowings.

WEIGHTED AVERAGE SHARES IN ISSUE
The number of ordinary shares in issue at the beginning of the year, plus ordinary shares issued during the year, less treasury shares acquired during the year, weighted on a time basis for the period during which they have participated in the income of the Group.

Notes


SHAREHOLDER
COMMUNICATION

Notice of annual general meeting

BRAIT SE
(Registered in Malta)
(Registered address: 4th Floor, Avantech Building, St Julian's Road, San Gwann, SGN, 2805, Malta)
(Registration Number: SE1) ISIN: LU0011857645
Share code: BAT LEI code: 549300VB8GBX4UO7WG59
("Brait" or the "Company")

Notice is hereby given to all the holders of ordinary shares ("Ordinary Shareholders"), directors and auditors of Brait of the annual general meeting ("AGM") of the Company to be held at 09h00 CET on 26 July 2017 at 4th Floor, Avantech Building, St Julian's Road, San Gwann, SGN 2805, Malta to consider and, if deemed fit approve the following resolutions

AGENDA

ORDINARY BUSINESS

1. Accounts

That the audited accounts for the financial year ended 31 March 2017 and directors' and auditor's reports thereon be received and approved.

2. Directors

a. That the following directors be re-elected for a period expiring at next year's AGM:
   - 2.1 Mr PJ Moleketi
   - 2.2 Mr JC Botts
   - 2.3 Mr AS Jacobs
   - 2.4 Dr LL Porter
   - 2.5 Mr CS Seabrooke
   - 2.6 Mr HRW Troskie
   - 2.7 Dr CH Wiese

3. Auditors

That the appointment of Deloitte Audit Limited of Malta as auditors of the Company be approved, and that the board of directors ("Board") be hereby authorised to fix their remuneration.

SPECIAL BUSINESS

4. Approval of Bonus Share issue and Cash Dividend Alternative

a. To approve a bonus share issue ("Bonus Share Issue") of new fully paid-up ordinary shares in the Company having a nominal value of EUR0.22 each (the "New Shares"), to be issued exclusively to the Company's Ordinary Shareholders in proportion to their existing shareholding in the Company as of 4 August 2017 and by reference to the ratio that the Cash Dividend (defined below) bears to the volume weighted average price of ordinary Brait shares on the Luxembourg Stock Exchange and Johannesburg Stock Exchange during the 15-day trading period ending on 24 July 2017 (the "New Shares Value"), and subject to such adjustments as may be reasonably required for fractions of New Shares, where such New Shares shall be paid up through the capitalisation of part of the Company's share premium account;

b. To approve the declaration of a cash dividend of 78.15 ZAR cents/5.25 EUR cents per ordinary share held (the "Cash Dividend") payable only to those Ordinary Shareholders who, in lieu of all or part of their entitlement to the Bonus Share Issue, elect for it and to either retain or reinvest (net of any applicable dividend taxes) as a subscription for New Shares at the New Shares Value ("Cash Dividend Reinvestment" and together, the "Cash Dividend Alternative") in each case subject to such adjustments as may be reasonably required for fractions of New Shares and such that the total amount of Cash Dividend paid by the Company to its Ordinary Shareholders shall not exceed the Company's distributable profits. The Cash Dividend shall, if all such shareholders elect to receive the Cash Dividend Alternative, amount to an aggregate maximum of ZAR407 171 014/EUR27 353 139.

5. Renewal of the Company's authority to purchase its own shares subject to various limitations:

Purpose

The Board is proposing that the authority for the Company to make market purchases of its own ordinary shares be renewed. The Board believes that it is desirable for this general authority to be available to provide flexibility in the management of the Company's capital resources.

Proposal

a. That the Company be and is generally and unconditionally authorised pursuant to Article 3(l) of the articles of association of the Company and in accordance with article 106 of the Companies Act (Chapter 386, Laws of Malta) ("Companies Act") to make market purchases of its own ordinary shares ("Share" / "Shares") on such terms and in such manner as the directors shall determine, provided that:
   i. the Shares to be purchased are fully paid up;
   ii. the maximum aggregate nominal value of the Shares authorised to be purchased (including the Company's treasury shares) shall not exceed 10 (ten) percent of the aggregate nominal value of the Company's issued share capital at any point in time;
   iii. the maximum price which may be paid for each Share shall be 5 (five) percent above the volume weighted average price for a Share on the securities exchange on which the Shares are purchased for the five business days immediately before the day on which the purchase is made (in each case exclusive of expenses);
   iv. the minimum price which may be paid for each Share shall be one euro cent;
   v. all conditions and limitations imposed by the Companies Act are adhered to.

b. That this authority (unless previously revoked, varied or renewed) shall expire on 30 October 2018 or, if sooner, at the end of the Annual General Meeting of the Company to be held in 2018.

6. Renewal of the Board's Authority to issue ordinary shares and to restrict and withdraw statutory pre-emption rights.

Purpose

It is proposed that the Board's authority to issue Shares be renewed and that the Board be authorised to restrict and withdraw any statutory pre-emption rights for so long as the Board remains authorised to issue Shares in the Company.

Proposal

a. That in accordance with the Company's Memorandum and Articles of Association ("M&A"), the Board be hereby authorised to exercise the power of the Company to issue Shares in the Company up to the amount of the authorised but unissued share capital of the Company for the time being, and the Board may offer, issue, grant rights or options over, or otherwise dispose of such Shares to such persons on such terms and in such manner as they think fit, whether for cash or otherwise, subject to the following limitations:
   (i) that the authority given under this resolution will expire upon the lapse of 15 (fifteen) months from the date of the AGM of 26 July 2017 but shall be renewable for further periods (which may be periods of less than but not more than 5 (five) years each) by resolution of the general meeting of the shareholders from time to time;
   (ii) that a paid press announcement giving details, including the impact on net asset value and earnings per share, will be published at the time of any such issue of, or grant of options or rights over, Shares;
   (iii) that in aggregate in any one year the nominal value of Shares represented by such issue(s) or grant of options or rights, excluding any issue pursuant to the Cash Dividend Reinvestment, may not exceed 10 (ten) percent of the aggregate nominal value of the Company's issued ordinary share capital;
   (iv) that, in determining the price at which such an issue of Shares (including pursuant to a future exercise of options or rights) will be made in terms of this authority, the maximum discount permitted will be 10 (ten) percent of the average market price of the Shares as determined over the 30 (thirty) days prior to the date that the price of the issue is determined or agreed by the directors on all securities exchanges on which the Shares are listed and have traded during that period.

b. That pursuant to the M&A, and the Companies Act, the Board be generally authorised to restrict or withdraw the statutory pre-emption rights of the Company's Ordinary Shareholders for as long as the Board remains authorised to issue Shares or grant options or rights over Shares in terms of Resolution 6(a) above and any applicable law

NOTES

Any Ordinary Shareholder may, in writing, appoint a proxy, who need not be a shareholder, to represent him/her at the AGM. Any company, being an Ordinary Shareholder, may execute a form of proxy under the hand of a duly authorised officer. The instrument appointing a proxy together with evidence of the authority of the person by whom the proxy is signed (except in the case of a proxy signed by the shareholder), shall be deposited at the registered office of the Company, 24 hours before the time for the holding of the AGM or its adjournment (as the case may be) at which the person named in such instrument proposes to vote. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution. Any Ordinary Shareholder may, instead of sending the proxy form to the registered office, send the proxy form (completed in accordance with its instructions) to the appropriate transfer agent 48 hours prior to the AGM in order that the transfer agents may be able to send the proxy form on his/her behalf to the registered office 24 hours before the time for holding of the meeting.

A form of proxy is enclosed with this notice, the completion of which will not preclude an Ordinary Shareholder from attending and voting at the AGM in person to the exclusion of any proxy appointed.

Resolutions 1 to 4 and 6(a) are to be proposed as ordinary resolutions and Resolutions 5 and 6(b) are to be proposed as extraordinary resolutions.

Ordinary resolutions may be passed at the AGM by a simple majority representing more than 50 percent of the voting rights attached to shares represented and entitled to vote at the AGM. Extraordinary resolutions require a 75 percent majority by nominal value of shares represented at the AGM and entitled to vote and at least 51 percent in nominal value of all the shares entitled to vote at the AGM.

The quorum requirement in relation to both ordinary resolutions and extraordinary resolutions is at least two members holding shares granting the right to vote in the Company who are present or represented at the AGM.

By order of the Board,

Anjelica Camilleri de Marco
Company Secretary

Date: 30 June 2017

Registrar and Transfer Agent
Luxembourg
Maitland Luxembourg S.A.
58, rue Charles Martel,
Luxembourg
L-2134

Registrar and Transfer Agent
South Africa
Computershare Investor Services (Proprietary) Limited
Rosebank Towers
15 Bierman Avenue
Rosebank
2096
(PO Box 61051, Marshalltown 2107)

Notes

22 Form of proxy

BRAIT SE
(Registered in Malta as a European Company) (Registration No.SE1)
Listed in Luxembourg and South Africa
("Brait" or "the Company")

Form of Proxy for use by certificated Brait holders of ordinary shares and "own-name" Dematerialised Brait holders of ordinary shares only at the annual general meeting of 26 July 2017 at 09h00 CET

For use only:
- by holders of certificated shares of the Company; and
- holders of dematerialised shares in the Company held through a Central Securities Depository Participant (**"CSDP"**) or broker and who have selected "own name" registration;
- at the annual general meeting of the Company to be held at 09H00 CET on Wednesday 26 July 2017, at the Company's registered office or at any adjournment thereof (**"AGM"**).

If you are a Brait shareholder entitled to attend and vote at the AGM you can appoint a proxy or proxies to attend, vote and speak in your stead. A proxy need not be a shareholder of the Company.

If you are a Brait shareholder and have dematerialised your share certificates through a CSDP (and have not selected "own name" registration in the sub-register maintained by a CSDP), do not complete this form of proxy (blue) but instruct your CSDP to issue you with the necessary letter of representation to attend the AGM, or if you do not wish to attend, provide your CSDP with your voting instructions in terms of your custody agreement entered into with them.

I/We ______________________________

(full names in block letters) of (address)

being a holder/s of ______________ shares in the Company, hereby appoint (see note 2)

1. ______________________________ or (or failing him/her)

2. ______________________________ or (or failing him/her)

Form of proxy (continued)

3. the Chairman of the Company or failing him the Chairman of the AGM, as my/our proxy to attend, speak, and on a poll to vote or abstain from voting on my/our behalf at the AGM which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the ordinary or extraordinary resolution to be proposed thereat and at any adjournment thereof.

	Number of votes (one per share)		
	In favour	Against	Abstain
Resolution number 1 Receipt and approval of audited accounts for the financial year ended 31 March 2017 and directors' and auditor's reports thereon			
Resolution number 2 Re-election of directors			
2.1 Mr PJ Moleketi			
2.2 Mr JC Botts			
2.3 Mr AS Jacobs			
2.4 Dr LL Porter			
2.5 Mr CS Seabrooke			
2.6 Mr HRW Troskie			
2.7 Dr CH Wiese			
Resolution number 3 Appointment of auditors			
Resolution number 4 Approval of the Bonus Share Issue and Cash Dividend Alternative			
Resolution number 5 Renewal of the Company's authority to purchase its own shares subject to various limitations			
Resolution number 6(a) Renewal of the Board's authority to issue ordinary shares			
Resolution number 6(b) Renewal of the Board's authority to withdraw statutory pre-emptions rights			

Note: Please indicate with an "x" in the spaces above how you wish your votes to be cast.

Signed at this day of 2017

Signature:

Notes to the proxy

(i) The following dates are applicable to all Ordinary Shareholders. This notice is being mailed to the Ordinary Shareholders on the register of members of the Company as at Friday, 30 June 2017. Ordinary Shareholders registered on the register of members as at Friday, 21 July 2017 ("Record Date") shall have the right to participate in and vote at the AGM. Accordingly, the last day to trade for Ordinary Shareholders in order to be able to participate in and vote at the AGM is Tuesday, 18 July 2017. Any change to an entry on the register of members after the Record Date shall be disregarded in determining the right of any person to attend and vote at the AGM.

(ii) A Member entitled to vote may appoint a proxy to attend and vote instead of him/her using the enclosed form of proxy; the appointed proxy need not be a member. To be valid the Form of Proxy must be signed and must reach the office of the Company Secretary at Brait SE, 4th Floor, Avantech Building, St. Julian's Road, San Gwann, SGN 2805, Malta by not later than Tuesday, 25 July 2017 at 09:00 CET.

(iii) Should you not wish to send the duly-completed proxy directly to the Company Secretary you may send it to the appropriate transfer agent:

- for the Luxembourg share register: Maitland Luxembourg S.A., 58, rue Charles Martel, Luxembourg, L-2134, Tel: +352 402 505 401, Fax: +352 402 505 66; or
- for the South African share register: Computershare Investor Services (Pty) Limited PO Box 61051, Marshalltown, 2107, Tel: +27 11 370 5000, Fax: +27 11 668 5200

by not later than Monday 24 July 2017 at 09:00 CET, in order to enable the transfer agent to send it on your behalf for receipt by the Company Secretary by not later than Tuesday, 25 July 2017 at 09:00 CET.

(iv) In order to participate in and to vote at the AGM, an Ordinary Shareholder or his/her proxy is to present his/her identity card or other means of identification. In the case of an Ordinary Shareholder being a body corporate, association of persons, foundation or other body of persons, a representative thereof will only be eligible to attend and be admitted to the AGM, and to vote there at, if a form of proxy has been (a) duly executed in his/her favour by the competent organ of the entity which he/she represents, and (b) submitted to the Company Secretary in accordance with the procedures set out under (ii) above.

(v) A holder of shares in the Company holding not less than 10 (ten) percent of the voting issued share capital of Brait SE may:

(a) request Brait SE to include items on the agenda of the AGM, provided that each item is accompanied by a justification or a draft resolution to be adopted at the AGM; and

(b) table draft resolutions for items included in the agenda of the AGM.

Provided that with respect to the request to put items on the agenda of the AGM or table draft resolutions, these shall be submitted to Brait SE in hard copy form or in electronic form at least 7 (seven) days before the date set for the AGM and it shall be authenticated by the person or persons making it. In the event that such a request or resolution is received after the lapse of the 7 day time limit set out above, Brait SE shall not be obliged to entertain any requests by such holders of ordinary shares.

(vi) In the case of ordinary shares held jointly by several persons, the person who had been nominated by the joint holders to be the registered holder of such shares shall be entitled to attend and vote at the AGM. In the event that the joint holders failed to nominate such person, the first named joint holder on the register of members of the Company shall be entitled to attend and vote at the AGM.

(vii) An Ordinary Shareholder who is a minor may be represented at the AGM by his/her legal guardian who will be required to present his/ her identity card.

(viii) Admission to the AGM will commence one hour before the advertised and appointed time.

(ix) The following information is also made available to the shareholders on www.brait.com in the Investor Relations section:

(a) a copy of this notice;

(b) the total number of shares and voting rights at the date of the notice (including separate totals for each class of shares);

(c) the documents to be submitted to the AGM;

(d) the proxy forms.

Notes

23 Administration and contact details

BRAIT SE
Registration No: SE1

ISSUER NAME AND CODE
Issuer long name – BRAIT SE
Issuer code – BRAIT
Share code: BAT – ISIN: LU0011857645
Bond code: WKN: A1Z6XC
ISIN: XS1292954812
LEI code: 549300VB8GBX4UO7WG59

COMPANY SECRETARY AND REGISTERED OFFICE

Anjelica Camilleri de Marco
4th Floor, Avantech Building
St. Julian's Road, San Gwann
SGN 2805, Malta
Tel: +356 2248 6203
Fax: +356 2144 6330

COUNSEL
M Partners S.à r.l
(a member of Maitland Legal)
56, rue Charles Martel
L-2134 Luxembourg
Tel: +352 263 868
Fax: +352 263 868 66

LUXEMBOURG REGISTRAR AND TRANSFER AGENT
Maitland Luxembourg SA
58, rue Charles Martel
L-2134 Luxembourg
Tel: +352 402 5051
Fax: +352 402 505 66

SOUTH AFRICAN TRANSFER SECRETARIES
Computershare Investor Services Pty Ltd
Rosebank Towers, 15 Biermann Avenue
Rosebank, Johannesburg, 2196, South Africa
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Fax: +27 11 668 5200

JSE SPONSOR
Rand Merchant Bank
(A division of FirstRand Bank Limited)
1 Merchant Place
Corner Fredman Drive and Rivonia Road
Sandton, 2196, South Africa

INDEPENDENT AUDITORS
Deloitte Audit Limited
Deloitte Place, Mriehel Bypass
Mriehel, BKR3000, Malta

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BRAIT

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