



Investor Update

31 August 2011

Brait's new model

Rights Offer and Private Placement Summary

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Deal environment

Performance metrics and market disclosure

Conclusion



Brait's new model

Recap on reasons for change in strategy

Brait's new model

- Efficient capital raising while maintaining and building on existing private equity strengths.
- Greater Investment Team focus on deployment and active management of capital due to shortened fundraising cycles.
- More permanent capital offers greater flexibility with the investment holding period.
- Opportunity to replicate Brait private equity fund return profile for the direct benefit of shareholders.
- Access to privately owned, market leading, growth orientated businesses such as Pepkor and Premier.
- Ability and flexibility to build industry platforms around existing investments with potentially higher returns.
- Enhance entrepreneurial flair by bringing on Dr CH Wiese as an anchor shareholder and director of Brait.
- Better alignment of Investment Team and shareholder interests through 18% shareholding by the Team.

Key characteristics of the new model

Brait's new model

- Minimal cash drag on the balance sheet.
- Efficient cost structure – aim for less than 0.85% of costs to fair value of assets under management (costs covered by fees)
- Avoid value leakage through management and performance fees.
- Efficient capital structure through to underlying investments.
- Avoid double entry points for investors to underlying assets.
- All assets held as fair value portfolio assets
- Efficient use of capital through on-balance sheet and portfolio gearing where necessary

Anticipated view on shareholder value extraction

Brait's new model

- Long-term holding periods for investments with NAV growth driving value
- Opportunistic exits based on windfall offers for investments
- Listed share provides liquidity for shareholders
- Efficient value extraction through on-balance sheet and portfolio gearing
- Reduced but consistent dividend policy
- Access cheapest form of capital



Rights Offer and Private Placement Summary

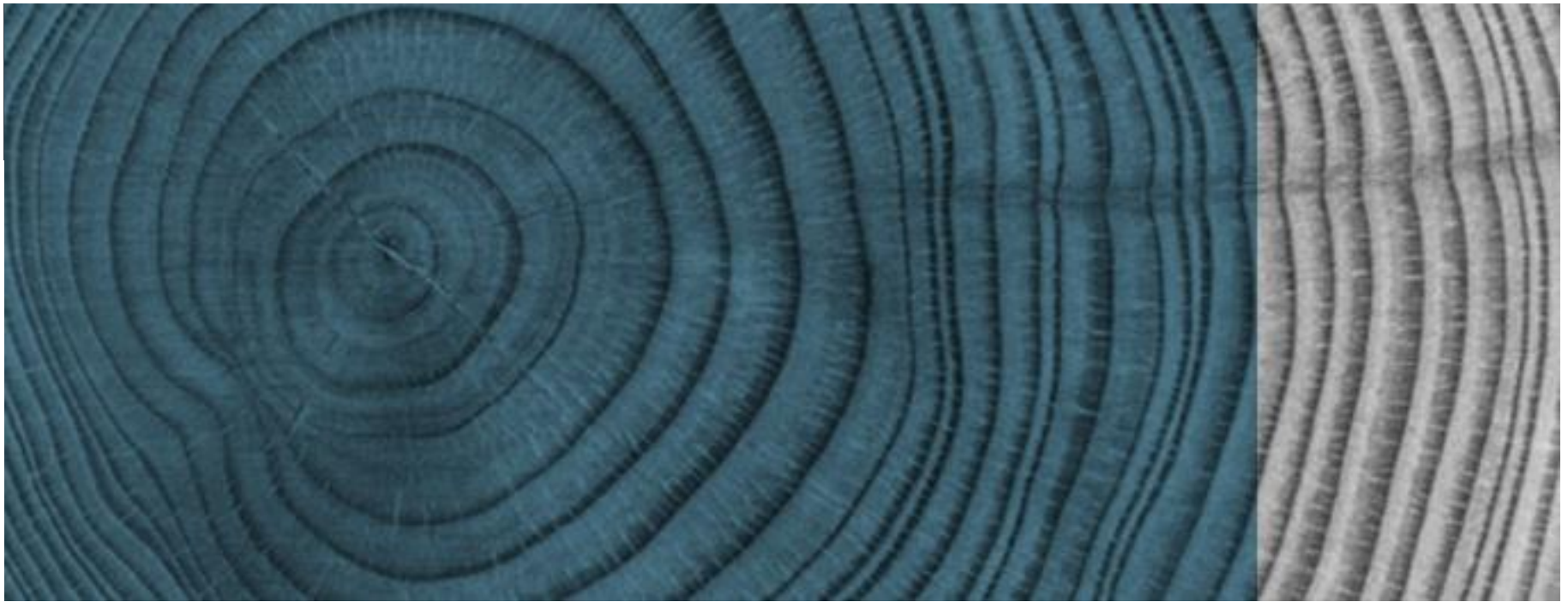
Rights Offer and Private Placement Summary

Brait SA Rights Offer and Placement Analysis Summary 4th July 2011				
	No. of Rights	Brait Shares	Price per share	Rands 000s
Opening Brait Shares		118,987,321	R 16.50	R 1,963,291
Total rights available	356,961,963	356,961,963	R 16.50	R 5,889,872
Total post rights issue shares in issue		475,949,284		R 7,853,163
Exercised in Luxembourg	-81,000			
Taken up in SA	-288,897,441			
Total taken up	-288,978,441			
Balance for auction	67,983,522			
1st Waterfall - Titan	7,306,149			
Titan's Rights target for 33.33%	158,649,761			
Less: Titan Rights acquired already	-151,343,612			
Remaining Rights to Brait Investment Team	60,677,373			
Less: Rights Required for 18% shareholding	-90,928,782			
To get to 18% - placement required	-30,251,409	30,251,409	R 16.50	R 499,148
Total Brait Shares Post Rights Issue		506,200,693	R 16.50	R 8,352,311
Titan shareholding	34.6%	174,896,777	R 16.50	R 2,885,797
Investment Team	18.0%	90,928,782	R 16.50	R 1,500,325
PIC	8.6%	43,707,923	R 16.50	R 721,181
Other shareholders	38.9%	196,667,211	R 16.50	R 3,245,009

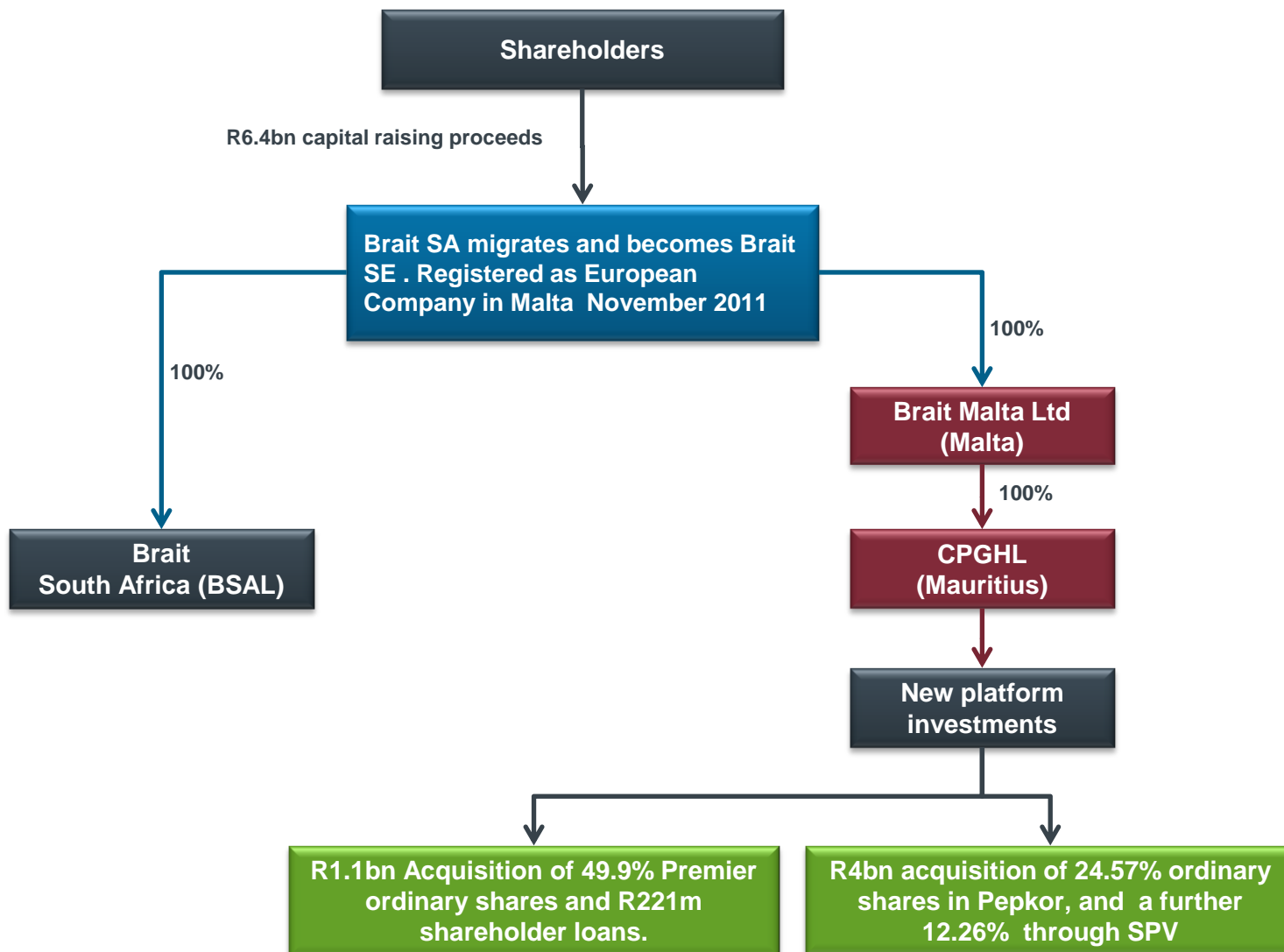
Rights Offer and Private Placement Summary

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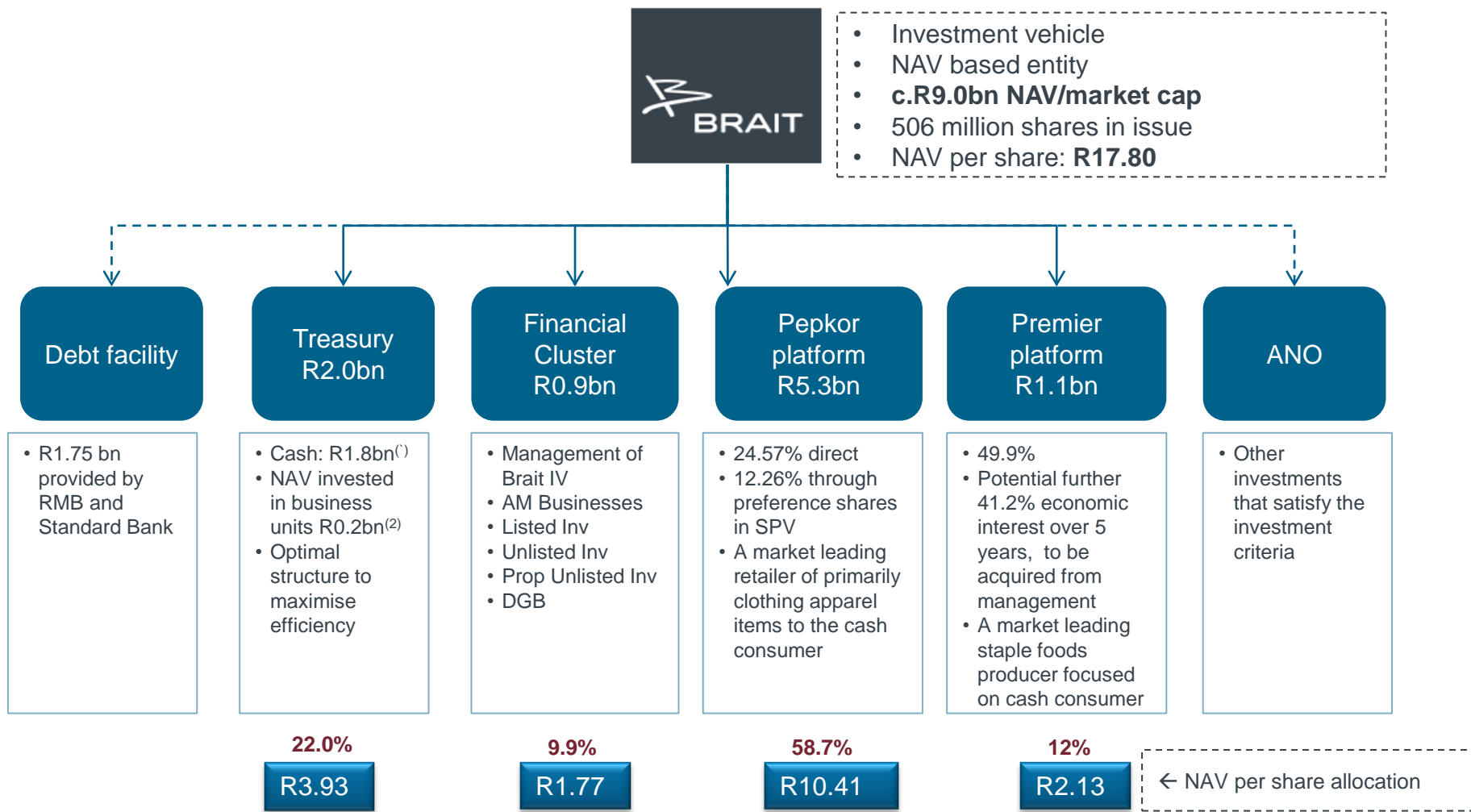
<u>Cash Proceeds from Rights Offer</u>	No. of shares	Price per Share	Rands 000s
Total	387,213,372	R 16.50	R 6,389,021
Ordinary shareholders - rights taken up excl Titan	137,634,829	R 16.50	R 2,270,975
Titan Rights	158,649,761	R 16.50	R 2,617,721
Investment Team Rights	90,928,782	R 16.50	R 1,500,325
Investment Team Split was as follows:			
Own contribution			R 300,325
Debt Facility			R 1,200,000
			<u>R 1,500,325</u>



Brait's new structure



Brait's new structure (continued)



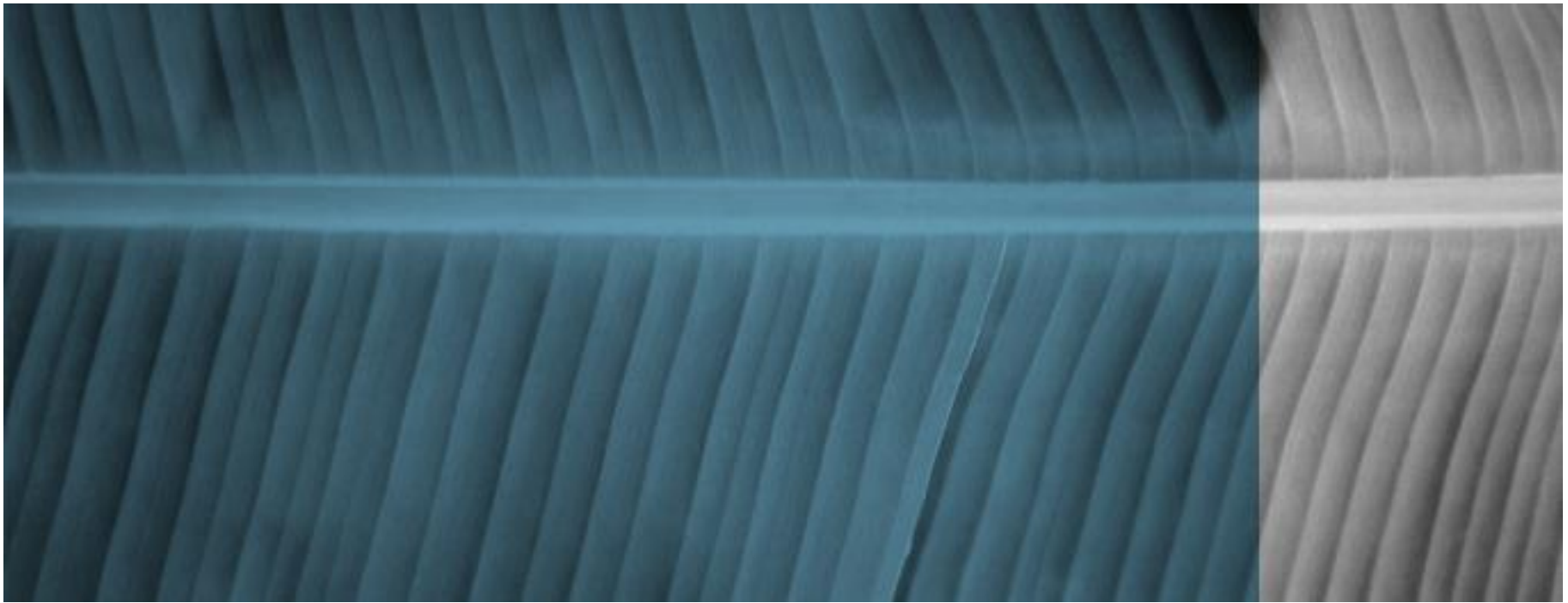
1. Post settlement of R450mil preference shares
 2. NAV of Brait's investment into its product



Current NAV analysis

Current NAV analysis

Amounts in R'mil	July 2011	
	R'millions	R'millions
Investments		7 267
Pepkor		5 268
Premier		1 080
Fund		424
Proprietary		367
Asset Management Units (AMU)		128
Investment Team Loan	1 200	
Less: RMB Loan	(1 250)	(50)
Cash		1 785
Cash invested in AMU products		204
Property and equipment		9
Total Assets		9 215
Deferred Tax liability		(117)
Net Accruals		(90)
Total Liabilities		(207)
Net Asset Value		9 008
Number of issued shares ('mil)		506.201
Net Asset Value per share (cents)		17.80



Portfolio performance summary review

Portfolio performance summary review

Pepkor Transaction Summary

	R millions
Sustainable EBITDA	R 2 261
EBITDA multiple	7.4
Enterprise value	R 16 800
Add: sustainable net cash	R 200
Pepkor initial valuation	R 17 000
Less: Distributions	-R 3 000
Cash	-R 1 057
Interest on purchase price	R 199
Revised equity value	R 13 142
CPGHL - 24.57% direct stake	R 3 210
SPV - 49.9% of 24.57% direct stake	R 801
Gross value of 24.57%	R 3 210
Less: 50% debt funding	-R 1 605
Equity Funding - 100%	R 1 605
Brait's 49.9% stake	R 801
Total Brait acquisition - effective 36.8% stake	R 4 012

Portfolio performance summary review

Pepkor Current Valuation - 4 July 2011

	R millions
Sustainable EBITDA	R 2 470
EBITDA multiple	7.5
Enterprise Value	R 18 525
Less: Sustainable net debt	-R 2 000
Equity Value	<u>R 16 525</u>
CPGHL's 24.57% direct stake	R 4 061
Share of indirect stake through SPV	R 1 207
Brait's Pepkor stake value	<u>R 5 268</u>

Portfolio performance summary review

Key Highlights:

- Strong revenue and sustainable EBITDA growth in line with expectations
- Management reshuffle at divisional level
- Nigeria's lifting of textile restrictions an opportunity for Pepkor
- Ackermans debtors book now owned in-house instead of Nedbank
- In-house micro loan business advanced from project stage to implementation
- Inflation has positive impact on retailers while fx hedged out
- Pursuing Africa growth story e.g. Angola

Portfolio performance summary review

Premier Transaction Summary

R millions

Sustainable EBITDA	R 410
EBITDA multiple	6.4
Enterprise Value	R 2 629
Less: Sustainable debt	-R 929
Equity Value	R 1 700
Brait's 49.9% equity stake	R 848
Add: share of shareholder loans acquired	R 221
Add: Interest on purchase price at prime	R 9
Brait's total Premier acquisition price	<u>R 1 078</u>

Portfolio performance summary review

Key Highlights:

- Key strategic appointments have been made with new group CFO and CEO for baking and milling business now in place.
- Increase in maize prices have put pressure on margins.
- Pioneer competition fine resulted in compulsory margin reduction on wheat and bread between Sep 2010 and March 2011 still being felt
- Outlook for rest of FY12 is for a better performance and management remains confident in earnings budget for the year due to:
 - Benefit of decreasing wheat price
 - Reduction in overheads costs due to new business process being rolled out as well as seasonal reduction in costs
 - Cost savings from closure of Pretoria maize mill in July 2011
- Looking at some potential acquisitions

Portfolio performance summary review

- Brait IV approximately R400m of Brait's NAV
- Consol and Primedia more than 80% of Brait's interest post-Premier realisation
- Primedia
 - Strong sustainable EBITDA growth, with radio and non-traditional media offering (building wraps, mall and washroom advertising) performing well
 - Cash generation remains strong
 - Positive Adspend trend lately – correlated to GDP growth and consumer spend
 - Industry issues – shorter advertising contracts, media property rights and potential ban on liquor advertising
- Consol
 - Challenging trading environment although revenue and EBITDA up on prior year : business on plan
 - Strong currency negatively impacted export wine industry customers
 - Nigel greenfields plant on track to start producing glass on 1 September 2011 – project within R1.3 billion budget
- No major issues on rest of Brait IV portfolio

Portfolio performance summary review

Brait Solutions

- Performance on track
- AUM down due to Regulation 28 impact and one significant investor redemption
- DDR for potential significant new assets in progress

Capital Management Team






- Solid fund performance
- Fixed income has been strong while equities slow
- New foreign currency discipline launched
- Increase in AUM but still looking for growth

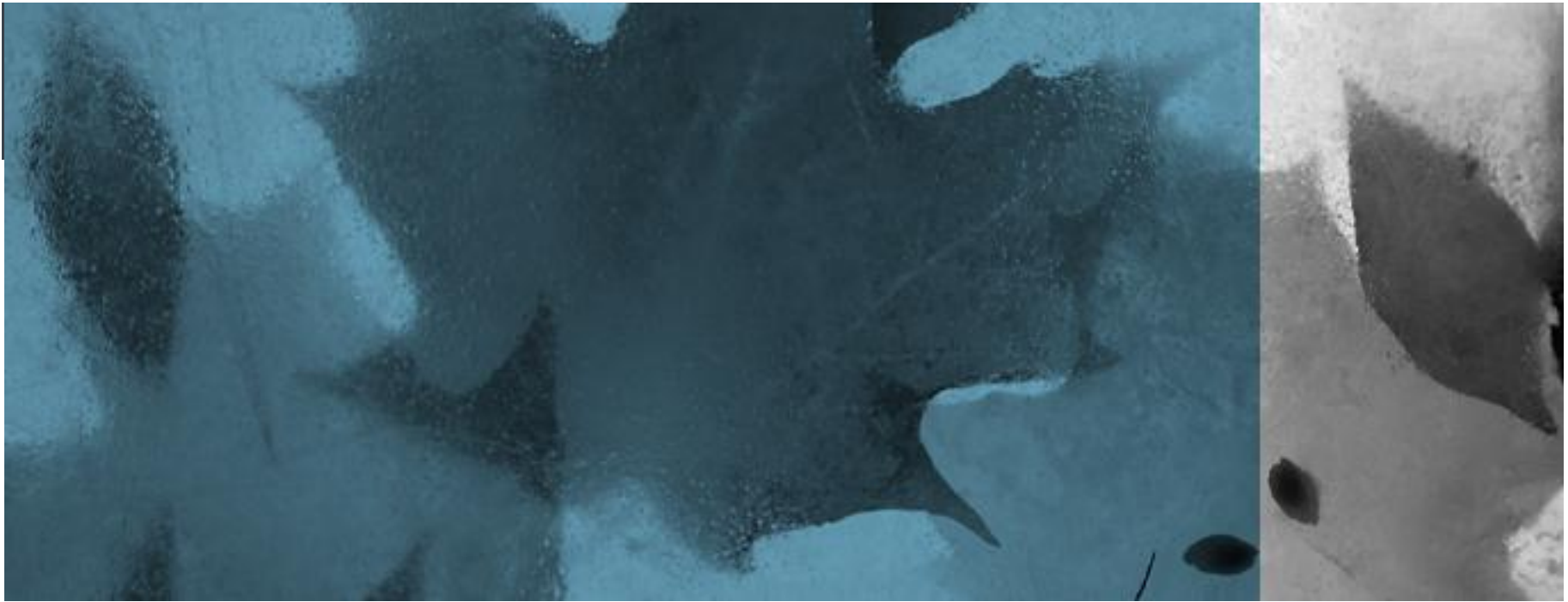
Other Asset Management Units

- Mezzanine Partners has been sold to Stanlib – very small impact on Brait
- Medu's performance is strong, with good deal flow for Medu II
- Potential Medu JV with Brait on proprietary investment programme
- AEP performance stable, with Pepkor proceeds as main event.

Portfolio performance summary review

Potential Impact on Brait:

	Impact	Area
Weaker Rand		DGB –Exports Pepkor – hedge imports
Inflation		Pepkor Premier
Lower Interest Rates		Gearing Consumer
Market Volatility		Valuations Deal Flow
Lack of GDP Growth		Portfolio



Deal environment

Deal environment

- Key focus is on:
 - Higher growth sectors;
 - Market leading businesses;
 - Strong, aligned management teams; and
 - “A-D” development
- Fundamentals are volatile – creating opportunities - but even more careful
- Economic landscape concerns – pockets of growth
- Currently focused on growing product sets in each platform – no premium
- Currently looking at 5 transactions – but being very selective
- Quality assets expensive even during market decline
- Bank financing has become accessible for the right deals
- Brait remains a strong believer in the cash consumer story



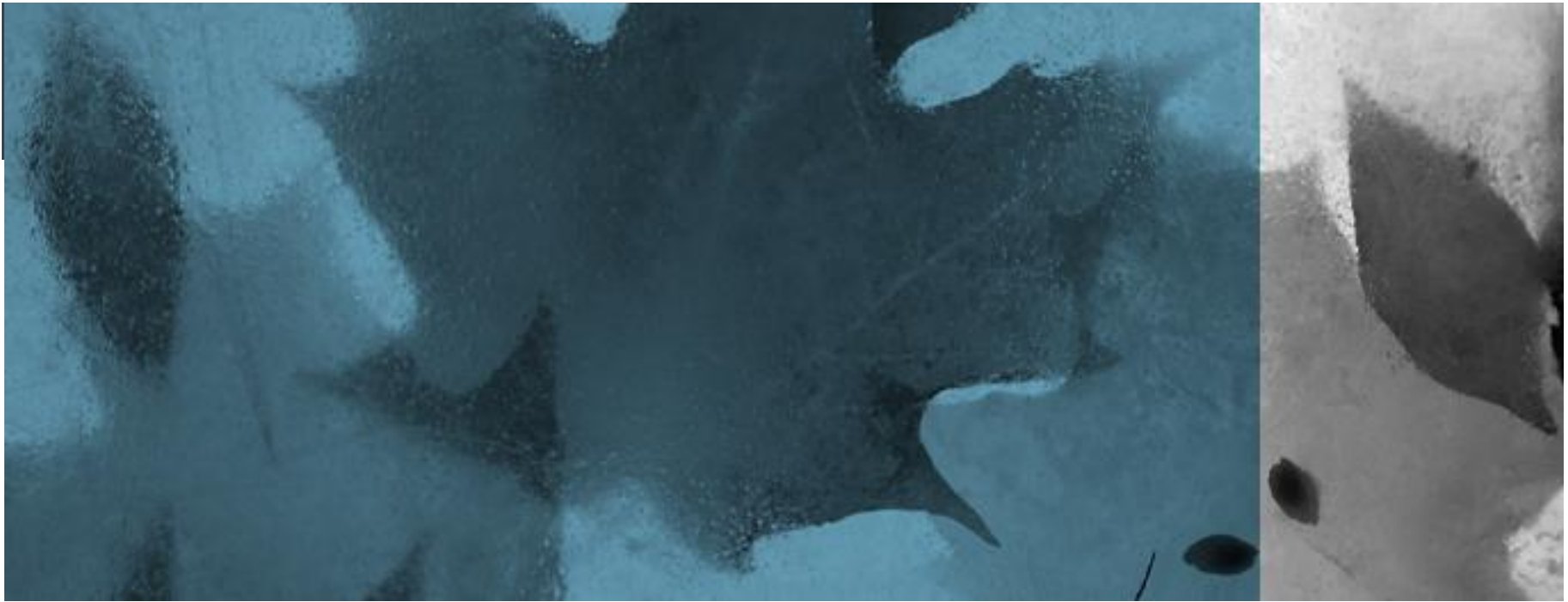
Performance metrics and market disclosure

Performance metrics and market disclosure

- Growth in NAV will be the key measure
- Target is to grow NAV in excess of 15% (CAGR) over any three year period
- Dividend Yield of 1% to 2.5% starting in 2013 – cash or scrip dividend
- Operating costs of less than 0.85% to Brait AUM (cover costs with fees)
- Minimal cash drag < 25% of NAV
- Demonstrate cash flow from underlying investments
- Primarily unlisted investments
- Efficient structure

Performance metrics and market disclosure

- Quarterly reporting of NAV – commencing 31 December 2011
- Fair value of underlying investments
- Disclosure of valuation metrics for key assets such as Pepkor and Premier, with average metrics for Fund assets
- Summary of relevant metrics from Pepkor and Premier financial statements
- Pepkor and Premier CEOs to be available at Brait interim and year-end results presentations
- NAV composition disclosure at all reporting periods



Questions & Answer Session



Investor Update

Conclusion