

Brait SE

(Registered in Malta as a European Company)

(Registration No. SE1)

Share code: BAT ISIN: LU0011857645

Bond Code: WKN: A1Z6XC ISIN: XS1292954812

("Brait", "the Company")

NET ASSET VALUE ("NAV") UPDATE FOR THE THIRD QUARTER ENDED 31
DECEMBER 2015 (Q3 FY2016)

Shareholders of the Company are advised that:

- NAV per share increased by 10.4% to ZAR136.34 for the quarter ended 31 December 2015 (30 September 2015: ZAR123.50 per share).
- NAV per share of ZAR136.34 reflects an increase of 120.1% for the twelve months ended 31 December 2015 (31 December 2014: ZAR61.96 per share) and a three-year CAGR to 31 December 2015 of 76.7%.
- Inclusive of the ordinary share dividends paid to date, the three-year CAGR to 31 December 2015 is 77.0%.
- Valuation multiples for Brait's investments remain unchanged.
- New Look has traded well in its third quarter ended 26 December 2015 and the company continues to execute well on its strategic initiatives. Revenue and EBITDA (in GBP) from continuing operations are up 5.6% and 6.4% year to date ("YTD") on the comparative period respectively. New Look brand like-for-like sales are +4.5% YTD, driven by strong product ranges and the benefit of the Concept store refurbishment programme, which has now been rolled out to 422 stores. Additional delivery options and improved functionality have driven Own Website sales growth of 34.7% YTD. Third Party E-commerce sales increased by 32.7% YTD, predominantly attributable to the growth in volume of business with key partnerships. UK Womenswear market share has increased by 0.3% to 6.3%. Expansion continues in China with over 80 stores now open (30 September 2015: 52 stores) and on track to have 85 by 31 March 2016. During the third quarter, two more standalone Menswear stores were opened in the UK. The four standalone Menswear stores now in operation continue to exceed expectations, with a further 20 standalone Menswear stores planned for FY2017. The group's total estate closed the third quarter at 862 stores. Cash flow generation remains strong. New Look is valued at the reporting date using an EV/EBITDA multiple of 13.3x, which represents a discount of 12% (30 September 2015: 10% discount) to its peer group's three year trailing average multiple of 15.0x. Applying the closing GBP/ZAR exchange rate of ZAR22.80, New Look's carrying value has increased by 14% for the quarter to ZAR36.8 billion, which represents 47% of Brait's total assets.

- Virgin Active has traded well through to 31 December 2015 on a constant currency basis and it continues to generate strong cash flows. Club openings are ahead of target and with a number of exciting growth opportunities in Africa and Asia Pacific in particular, Virgin Active is strategically on plan. Virgin Active is valued at the reporting date using an EV/EBITDA multiple of 10.8x, which represents a discount of 20% (30 September 2015: 20% discount) to its peer group's three year trailing average multiple of 13.5x. Applying the closing GBP/ZAR exchange rate of ZAR22.80, Virgin Active's carrying value has increased by 12% for the quarter to ZAR18.2 billion, which represents 23% of Brait's total assets.
- Premier traded well during the quarter and has recorded a pleasing set of half year results, which include the contribution from Premier's Mozambique subsidiary (CIM) acquired with effect from 1 July 2015. Revenue was up 21% YTD on the comparative period in a difficult macro-economic climate. Sales prices and margins were well managed with EBITDA growing by 27% YTD. The new Blue Ribbon packaging launch in November 2015 and marketing campaign have been well received by the market. Bread volumes for the six months to December 2015 have grown 5.5% on the comparative period. The Milling division has experienced a difficult market environment as a result of significant increases in grain prices due to the severe drought, depreciation of the Rand and the effect of wheat import tariffs. Premier has contracted local supply of its required maize volumes beyond 2016 to mitigate the risk of white maize shortages given the crop outlook. Premier entered the drinking maize (Mageu) category using its Iwisa brand in October 2015. The product was launched mainly in retail and convenience stores. The Groceries division has performed well with Confectionary enjoying strong growth, enhanced by the listing of 17 new products. Premier's most recent acquisition, CIM, has been successfully integrated and recorded strong results for the half year. Brait increased its shareholding in Premier to 91.1% (30 September 2015: 90.3%) through the exercise of put and call option agreements. Premier is valued at the reporting date using an EV/EBITDA multiple of 12.6x, which represents a discount of 2% (30 September 2015: 0% discount) to its peer group's three year trailing average multiple of 12.8x. Premier's carrying value has increased by 5.8% for the quarter to ZAR10.4 billion, which represents 13% of Brait's total assets.
- Iceland Foods continues to pursue a strategy designed to differentiate its business and stabilize financial performance, within what remains a deflationary and intensely competitive market place. Key areas of focus have been the launch of many new ranges of premium quality frozen ingredients and prepared foods, the development of its exclusive Slimming World range into one of the UK's leading

frozen brands and an upgrade and reposition of its fresh produce offer. The roll-out of the successful Food Warehouse store format continues and Iceland has improved its own brand packaging and in-store point of sale presentation across its whole estate. These initiatives have helped strengthen gross profit and stabilize EBITDA despite the continued impact of negative like-for-like sales. Sales (in GBP) for the 40 weeks ended 1 January 2016 decreased by 0.8% on the comparative period, with like-for-like sales down 2.7% in a market experiencing food deflation. The EBITDA margin of 5.2% is in line with the comparative period. The group added a net six stores year to date in the UK, including five Food Warehouse stores. At period end the group had a total of 881 stores, which includes 11 Food Warehouse stores. Free cash flow generation, post capital expenditure, remains strong at 83% of EBITDA. As communicated on 19 November 2015, Brait increased its shareholding in Iceland Foods from 18.7% to 57.1%, at a cost of GBP173.8 million. This increase in shareholding is the main reason for the 220% increase in ZAR carrying value for the quarter. Iceland Foods is valued at the reporting date using an EV/EBITDA multiple of 8.0x, which represents a discount of 20% (30 September 2015: 19% discount) to its peer group's three year trailing average multiple of 10.0x. Applying the closing GBP/ZAR exchange rate of ZAR22.80, Iceland Foods' carrying value is ZAR5.9 billion, which represents 7% of Brait's total assets.

- In addition to the strong operational performance across the portfolio, the ZAR carrying values for Brait's GBP denominated investments have benefitted from the GBP strengthening against the ZAR.
- Brait's Loan Receivable was repaid by Fleet Holdings Limited ("Fleet") on 30 November 2015, following Fleet's refinance of the ZAR612 million owed to Brait.
- The decrease in Brait's cash during the quarter is largely attributable to the acquisition of the further 38.4% of Iceland Foods for GBP173.8 million.
- The increase in the ZAR carrying value of Brait's GBP denominated Convertible Bond is largely attributable to the GBP strengthening against the ZAR.
- The decrease in the number of issued ordinary shares is a result of treasury share purchases during the quarter.
- Post balance sheet event: As reported to the market on 19 January 2016, Brait redeemed all of its 20 million issued preference shares at their deemed issue price of R100 per share on 18 January 2016 as well as paying the accrued dividend to this date. The preference shares were subsequently delisted.
- Brait continues to explore alternative sources of funding to enhance flexibility and efficiency.

Brait NAV Analysis:

	31-Dec-15	30-Sep-15	31-Dec-14
	R'm	R'm	R'm
Investments	72,834	61,898	32,869
New Look	36,789	32,371	-
Virgin Active	18,191	16,298	-
Premier	10,371	9,804	4,123
Iceland Foods	5,856	1,829	999
Pepkor	-	-	25,732
Other investments	1,627	1,596	2,015
Loan receivable	-	602	561
Cash and cash equivalents	6,204	9,618	879
Accounts receivable	12	13	23
Total Assets	79,050	72,131	34,332
Borrowings	-	-	(705)
Convertible bond	(7,078)	(6,466)	-
Accounts payable	(120)	(152)	(33)
Total liabilities	(7,198)	(6,618)	(738)
Preference share equity	(1,964)	(1,964)	(1,964)
Net Asset Value	69,888	63,549	31,630
Number of issued shares ('mil) excluding treasury shares	512.6	514.6	510.5
Net asset value per share (ZAR)	136.34	123.50	61.96

The financial information on which this announcement is based has not been reviewed and reported on by the Company's external auditors. The respective New Look and Iceland Foods Q3 FY2016 bond investor presentations are available at www.brait.com

Malta

10 February 2016

Brait's primary listing is on the Euro MTF market of the Luxembourg Stock Exchange and its secondary listing is on the Johannesburg Stock Exchange.

Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)