

Brait SE

(Registered in Malta as a European Company)

(Registration No. SE1)

Share code: BAT ISIN: LU0011857645

Bond code: WKN: A1Z6XC ISIN: XS1292954812

("Brait" or "the Company")

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PROPOSED TRANSFER OF THE REGISTERED OFFICE OF THE COMPANY TO THE UNITED KINGDOM

Introduction

The Company announces today that the board of directors (the "**Board**") has resolved to propose to shareholders that the Company's registered office be transferred from Malta to the United Kingdom (the "**UK**") (the "**Transfer**"). The proposed Transfer will be implemented pursuant to Council Regulation (EC) No 2157/2001 on the Statute for a European Company (the "**SE Regulation**"). Accordingly, a transfer proposal was filed with the Maltese Registry of Companies (the "**Transfer Proposal**"), which is the first step towards implementing the proposed Transfer.

Following the Transfer, the Company will continue in existence as a *Societas Europaea* ("**SE**") with its registered office in the UK, becoming subject to the Companies Act 2006 in the UK in all respects, as if it were a public limited company incorporated under the laws of England and Wales. It will also continue to be subject to the SE Regulation which would, in principle, allow further transfers of its registered office to other European Economic Area ("**EEA**") countries and it will be able, subject to a further shareholder approval, to convert to a UK public limited company no longer subject to the SE Regulation. The Transfer will not impact the Company's primary listing on the Euro MTF market of the Luxembourg Stock Exchange (the "**LuxSE**") or its secondary listing on the stock exchange operated by JSE Limited (the "**JSE**"). In addition, the share capital of the Company will not be affected as a consequence of the Transfer.

The proposed Transfer is subject to, amongst other things, shareholder approval. Shareholders will have the opportunity to vote on the proposals regarding the Transfer at an extraordinary general meeting of the Company, which is expected to be held by the end of November 2016 (the "**Extraordinary General Meeting**"). Details of the Extraordinary General Meeting and further information on the Transfer will be included in a circular and a notice of Extraordinary General Meeting to be published by the Company in due course.

Background to and reasons for the proposed Transfer

The Company's ordinary shares (the "**Shares**") are currently dual listed with a primary listing on the Euro MTF market of the LuxSE and a secondary listing on the JSE.

In 2011, Brait became a *Societas Europaea* resulting from a merger with a Malta subsidiary and the subsequent transfer of its registered office from Luxembourg to Malta. At that time, the decision was also taken to change the Company's business model from a traditional private equity fund manager to an investment company, focussed on long-term value creation. The Company raised ZAR8.6 billion through a ZAR6.4 billion rights issue and private placement on 4 July 2011, as well as a ZAR2.2 billion increase in its debt facilities. Since then, it has acquired significant stakes in a number of well-known South African and UK brands including Premier (in which it holds a 91.4 per cent. shareholding), Iceland Foods (57.1 per cent.), New Look (88.7 per cent.), Virgin Active (78.2 per cent.) and increased its shareholding in DGB (81.3 per cent.).

In September 2015, Brait raised GBP350 million through the issue of convertible bonds with a coupon of 2.75 per cent., due 2020 (the "**Convertible Bonds**"). The Convertible Bonds are listed on the Open Market (*Freiverkehr*) segment of the Frankfurt Stock Exchange. As at 30 June 2016, the Brait group had gross assets totalling ZAR75.1 billion (approximately GBP3.8 billion, assuming a GBP/ZAR exchange rate of 19.6152 as at 30 June 2016).

Brait's reported net asset value per Share has increased over the five years to 30 June 2016 from the rights issue price (as at 4 July 2011) of ZAR16.50 to ZAR131.94. As at 31 August 2016, Brait had a market capitalisation of approximately ZAR60.7 billion (approximately GBP3.1 billion assuming a GBP/ZAR exchange rate of 19.3542 as at 31 August 2016).

*Potential listing on the London Stock Exchange plc (the "**LSE**")*

The Board believes that the Company is at a size and stage of development where it has become increasingly important that it can offer its existing investors the benefits of a listing on a major international developed market.

Following the Transfer, Brait intends to seek a listing on the premium listing segment of the Official List maintained by the UK Listing Authority (as a closed-ended investment fund under Chapter 15 of the UK Listing Rules) and to be admitted to trading on the LSE's main market for listed securities (the "**LSE Listing**"). A premium listing in London offers the opportunity for the Company to be eligible for inclusion in the FTSE UK index series. It will also require the Company to comply with the governance requirements of a premium listing in London. The proposed LSE Listing will require the publication of a prospectus.

The Board believes that a premium listing in London and inclusion in the FTSE UK index series, if achieved, would enhance the profile of Brait, improve the liquidity of dealings in its shares and improve its access to a wider range of international investors.

Whilst the Transfer will not impact the Company's primary listing on the Euro MTF market of the LuxSE or its secondary listing on the JSE, Brait's intention, in due course, would be to change its primary listing to the LSE in the event the LSE Listing is achieved. This will not impact the Company's secondary listing on the JSE.

The Board believes that the proposed Transfer and a premium listing in London (if achieved) are in the best interests of the Company and shareholders as a whole, and will provide the Company with significant economic, corporate and administrative benefits, including:

- establishing new headquarters for the Company in the UK, which across its portfolio companies is the largest market in which it is invested;
- the adoption of an investment policy in connection with the LSE Listing provides a framework for future investments and retains the ability for the Company to achieve rapid execution of investment opportunities;

- a listing on a major international developed market would enhance the profile of Brait and improve its access to a wider range of international investors and deeper pools of capital to support any future capital raise;
- the opportunity for the Company to be eligible for inclusion in the FTSE UK index series. A premium listing in London and inclusion in the FTSE UK index series, if achieved, are expected to improve the liquidity of dealings in its Shares;
- retaining its secondary listing on the JSE for South African investors; and
- the potential for access to lower cost of borrowing for the Company in the future.

Following the Transfer, the Company will become tax resident in the UK. The Board believes that the transfer of the tax residency of the Company to the UK would be broadly neutral from a tax perspective.

Potential capital raise

In connection with the proposed Transfer and the potential LSE Listing, the Company is considering opportunities to raise capital by way of an issue of new Shares or the issue of securities convertible into, or exchangeable for, Shares to provide funding for future investments to complement its existing portfolio and for general corporate purposes. A capital raise could take place prior to, simultaneously with or following the potential LSE Listing. It remains to be determined whether a capital raise may take place and the overall quantum of such a raise, were it to occur, also remains to be confirmed and could be in excess of the Company's existing authorities.

No commitment has been made to proceed with any capital raise. Whether the Company proceeds to seek to raise additional capital as well as the timing, size, structure and terms of such capital raise will depend on, amongst other things, market and other conditions at the appropriate time.

Overview of the process to implement the proposed Transfer

As mentioned above, the Transfer Proposal was filed with the Maltese Registry of Companies in connection with the proposed Transfer. The Transfer Proposal will then be published by the Maltese Registry of Companies on its website.

In connection with the Transfer, the Board will prepare a report explaining and justifying the legal and economic aspects of the proposed Transfer and explaining the implications of the proposed Transfer for shareholders, creditors and employees (the "**Transfer Report**"). The Transfer Proposal and the Transfer Report, together with the draft new articles of association proposed to be adopted upon the Transfer becoming effective, will be available for inspection at the registered address of the Company at least one month before the Extraordinary General Meeting. These documents will also be included in the circular and a notice of Extraordinary General Meeting to be published by the Company in due course.

Resolutions will be proposed at the Extraordinary General Meeting to seek shareholder approval for the Transfer, the adoption of the new articles of association and other ancillary matters in connection with the Transfer. Subject to the Transfer being approved by shareholders, the Company will proceed to comply with the requirements under the SE Regulation to implement the Transfer, including the filing of documents at the Maltese Registry of Companies and at the UK Registrar of Companies. The Transfer will become effective upon registration, by the UK Registrar of Companies, of the Company as a UK-registered SE.

Under Article 8 of the SE Regulation, the registered office of an SE may be transferred to another EEA member state in accordance with that Article and such transfer will not result in the winding up

of the SE or in the creation of a new legal person. Accordingly, following the Transfer, the Company will continue in existence as an SE with its registered office in the UK, becoming subject to the Companies Act 2006 in the UK in all respects, as if it were a public limited company incorporated under the laws of England and Wales.

Subject to shareholder approval and the satisfaction of the other conditions and requirements under the SE Regulation, it is currently expected that the Transfer will complete by the end of March 2017.

Shareholders should note that there is no guarantee that the Transfer will complete. The Board may, at any time prior to the Transfer becoming effective, withdraw the Transfer Proposal and/or refrain from completing the Transfer if the Board, in its sole discretion, considers it to be in the best interests of the Company.

Expected timetable for the proposed Transfer

The anticipated timing of principal events in connection with the proposed Transfer is set out below. These times and dates are indicative only based on current expectations of the Company and are subject to change.

Transfer Proposal filed with the Maltese Registry of Companies	13 September 2016
Transfer Proposal published by the Maltese Registry of Companies on its website	by end of September 2016
Transfer Proposal and Transfer Report made available for inspection by shareholders and creditors at the Company's registered office	by end of October 2016
Circular and Notice of the Extraordinary General Meeting of the Company and the Forms of Proxy for the Extraordinary General Meeting issued by the Company	by early November 2016
Extraordinary General Meeting	by end of November 2016
Transfer expected to become effective	by end of March 2017

Convertible Bonds

It is not expected that the Transfer will require any amendments to be made to the terms and conditions of the Convertible Bonds of the Company.

Potential conversion to a UK public limited company

Following the Transfer, the Company may consider taking steps to convert to a public limited company in the UK in accordance with the provisions of Article 66 of the SE Regulation. A conversion to a public limited company in the UK requires, among other things, the publication of draft terms of conversion and an explanatory report, as well as shareholder approval of the conversion.

The Company will assess at the appropriate time whether it would be in the best interests of the Company and shareholders as a whole to proceed with a conversion to a public limited company in the UK and the terms and timing of such a conversion.

Exit of the UK from the European Union (the “EU”)

Following a referendum held on 23 June 2016, the potential impact of the UK's decision to exit the EU remains uncertain. The Company will continue to assess potential risks and uncertainties associated with the terms of, timing and process relating to, the UK's exit from the EU and its future relationship with the EU.

Further announcements

Shareholders will be kept advised of salient details pertaining to the proposed Transfer, including the expected timing of principal events and the availability of shareholder and other relevant documentation, by way of announcement on the website of the LuxSE and on the Stock Exchange News Service of the JSE.

Malta

14 September 2016

Brait's primary listing is on the Euro MTF market of the LuxSE and its secondary listing is on the JSE.

Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)

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Goldman Sachs International (“**Goldman Sachs**”) and J.P. Morgan Securities plc (which conducts its investment banking business through J.P. Morgan Cazenove) (“**J.P. Morgan Cazenove**”) are acting as joint sponsors to the Company in the United Kingdom in relation to its potential application for listing on the premium listing segment of the Official List maintained by the UK Listing Authority and to trading on the LSE's main market for listed securities.

Each of Goldman Sachs and J.P. Morgan Cazenove is authorised by the Prudential Regulation Authority (the “**PRA**”) and regulated by the Financial Conduct Authority and the PRA in the United Kingdom. Each of Goldman Sachs and J.P. Morgan Cazenove is acting exclusively for the Company and for no-one else in connection with the potential transaction referred to in this announcement

and will not regard any other person as its client in relation to, and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, or for providing advice in relation to, any matters referred to herein.

Rounding

Certain figures contained in this announcement have been subject to rounding adjustments. Accordingly, in certain instance, the sum or percentage change of the numbers contained in this document may not conform exactly with the total figure given.