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"
or "Group")

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016

KEY HIGHLIGHTS

- Brait's reported Rand NAV per share at 30 September 2016 is ZAR105.06
- The decrease of 14.9% compared to 30 September 2015's NAV per share of ZAR123.50, includes the adverse impact of the 15% strengthening of the Rand against the Pound over this period, from ZAR20.96 at 30 September 2015, to ZAR17.82 at 30 September 2016
- The three year CAGR for reported Rand NAV per share to 30 September 2016 is 53.3% per annum (benchmark of 15% per annum); including ordinary share dividends it is 53.9%
- Expressed in Pound Sterling, on the basis that Brait is most invested in this currency, Brait's NAV per share at 30 September 2016 is GBP5.90 compared to GBP5.89 at 30 September 2015, an increase of 0.2%. The three year Pound CAGR to 30 September 2016 is 48.5%; including ordinary share dividends it is 49.0%

Performance against targets

	Performance metric	Position at 30 September 2016
1	NAV CAGR > 15% per year over any 3 year period	- 53.3% CAGR since 30 September 2013 - 53.9% CAGR including bonus shares issued/dividends paid
2	Dividend: 1% - 2.5% of closing NAV - bonus shares or cash election	- FY2016: 1% of R136.27 paid August 2016 (76.7% up on FY2015) - 91% of shareholders elected to receive cash
3	Operating costs: < 0.85% of Brait AUM	- 0.63% of average AUM (1) (FY2016: 0.62%) - 0.54% net after fee income (1) (FY2016: 0.52%)
4	Minimal cash drag: < 25% of NAV	- 6.8% of NAV
5	Primary unlisted investments	- 100% of investment portfolio
6	Demonstrate cash flow within underlying investments	- Strong EBITDA cash flow conversion across portfolio

(1) Percentages quoted are annualised based on operating expenses of R228 million and fee income of R32 million for the six months ended 30 September 2016. Brait's average AUM for the six month period ended 30 September 2016 is R72.8 billion, representing the Group's average total assets of R68.4 billion and average Brait IV invested capital under management of R4.4 billion.

Summary consolidated statement of financial position as at

Audited year ended 31 March 2016	Unaudited six months 30 Sept 2015	30 Sept 2016		Unaudited six months 30 Sept 2016	30 Sept 2015	Audited year ended 31 March 2016

R'm	R'm	R'm		Notes	EUR'm	EUR'm	EUR'm
			ASSETS				
73 036	62 500	58 142	Non-current assets		3 767	4 036	4 352
73 036	61 898	58 142	Investments	2	3 767	3 997	4 352
-	602	-	Loan receivable	3	-	39	-
4 599	23 038	3 602	Current assets		233	1 488	275
245	13	4	Accounts receivable		-	1	15
-	15 010	-	Investment in Steinhoff		-	969	-
4 354	8 015	3 598	Cash and cash equivalents	4	233	518	260
77 635	85 538	61 744	Total assets		4 000	5 524	4 627
			EQUITY AND LIABILITIES				
69 872	63 549	53 277	Ordinary shareholders' equity and reserves	5	3 451	4 104	4 164
-	1 964	-	Preference shareholders' equity		-	127	-
7 721	6 466	8 366	Non-current liabilities		542	418	460
1 100	-	2 736	Borrowings	7	177	-	65
6 621	6 466	5 630	Convertible Bonds	6	365	418	395
42	13 559	101	Current liabilities		7	875	3
-	13 407	-	Borrowings	7	-	866	-
42	152	101	Accounts payable and other liabilities		7	9	3
77 635	85 538	61 744	Total equity and liabilities		4 000	5 524	4 627
521	521	521	Ordinary shares in issue (m)		521	521	521
(8)	(6)	(14)	Treasury shares (m)		(14)	(6)	(8)
513	515	507	Outstanding shares for NAV calculation (m)		507	515	513
13 627	12 350	10 506	Net asset value per share (cents)		681	798	812

Summary consolidated statement of comprehensive income for the six months ended 30 September

Audited year ended 31 March 2016 R'm	Unaudited six months 30 Sept 2015 R'm	Unaudited six months 30 Sept 2016 R'm		Note	Unaudited six months 30 Sept 2016 EUR'm	Unaudited six months 30 Sept 2015 EUR'm	Audited year ended 31 March 2016 EUR'm
21 990	18 874	(3 915)	Investment (losses)/gains		(240)	1 355	1 445
372	193	122	Interest income		7	14	24
34	-	80	Dividends and other income		5	-	2
69	32	32	Fee income		2	2	5
1 122	(146)	(264)	Foreign exchange (losses)/gains		(16)	(10)	74
(435)	(170)	(228)	Operating expenses		(14)	(12)	(29)
-	-	(66)	Other expenses		(4)	-	-
(971)	(679)	(274)	Finance costs		(17)	(49)	(63)
(24)	(8)	(7)	Taxation		-	(1)	(2)
22 157	18 096	(4 520)	(Loss)/profit for the period		(277)	1 299	1 456
8 064	5 328	(10 546)	Translation adjustments		(337)	(266)	(338)
30 221	23 424	(15 066)	Comprehensive (loss)/income for the period		(614)	1 033	1 118
4 294	3 518	(887)	(Loss)/earnings and Headline (loss)/earnings per share (cents) - basic	8	(54)	253	283
4 141	3 501	(785)	(Loss)/earnings and Headline (loss)/earnings per share (cents) - diluted	8	(48)	251	272

Summary consolidated statement of changes in equity for the six months ended 30 September

Audited	Unaudited		Unaudited	Audited
year ended	six months		six months	year ended

31 March 2016 R'm	30 Sept 2015 R'm	30 Sept 2016 R'm		Note	30 Sept 2016 EUR'm	30 Sept 2015 EUR'm	31 March 2016 EUR'm
39 369	39 369	69 872	Ordinary shareholders' balance at beginning of period		4 164	3 023	3 023
22 157	18 096	(4 520)	(Loss)/profit for the period		(277)	1 299	1 456
8 064	5 328	(10 546)	Translation adjustments		(337)	(266)	(338)
(36)	-	-	Preference share issue cost allocated to Retained Earnings on redemption		-	-	(2)
(270)	-	(881)	Net purchase of treasury shares		(57)	-	(16)
864	874	-	Convertible bond equity reserve		-	56	57
(254)	(96)	-	Earnings attributed to preference shares		-	(7)	(15)
(22)	(22)	(648)	Ordinary dividends paid (cash election)	5	(42)	(1)	(1)
69 872	63 549	53 277	Ordinary shareholders' balance at end of period		3 451	4 104	4 164
1 964	1 964	-	Preference shareholders' balance at beginning of period		-	151	151
-	-	-	Translation adjustments		-	(24)	19
36	-	-	Preference share issue cost allocated to Retained Earnings on redemption		-	-	2
254	96	-	Earnings attributed to preference shares		-	7	15
(254)	(96)	-	Preference dividend paid		-	(7)	(15)
(2 000)	-	-	Preference share redemption		-	-	(172)
-	1 964	-	Preference shareholders' balance at end of period		-	127	-

Summary consolidated statement of cash flows for the six months ended 30 September

Audited year ended	Unaudited six months				Unaudited six months		Audited year ended
31 March 2016 R'm	30 Sept 2015 R'm	30 Sept 2016 R'm		Note	30 Sept 2016 EUR'm	30 Sept 2015 EUR'm	31 March 2016 EUR'm
			Cash flows from operating activities				
17 438	2 393	7	Investment proceeds		-	155	1 131
69	38	30	Fees received		2	2	5
315	120	41	Interest received		3	8	21
(444)	(181)	(225)	Operating expenses paid		(15)	(12)	(29)
(16)	(8)	(11)	Taxation paid		(1)	(1)	(1)
(944)	(731)	(86)	Finance cost paid		(6)	(47)	(62)
16 418	1 631	(244)	Operating cash flow before investments		(17)	105	1 065
(32 199)	(27 930)	(92)	Purchase of investments		(6)	(1 804)	(2 222)
(15 781)	(26 299)	(336)	Net cash used from operating activities		(23)	(1 699)	(1 157)
1 100	13 407	1 550	Net drawdown of borrowings		101	866	204
7 245	7 245	-	Proceeds from issuance of Convertible Bonds		-	468	481
(2 000)	-	-	Redemption of Preference shares		-	-	(109)
612	-	-	Proceeds from Loan receivable		-	-	40
(487)	-	(661)	Net purchase of treasury shares		(43)	-	(32)
(22)	(22)	(648)	Ordinary dividend paid (cash election)		(42)	(1)	(1)
(254)	(96)	-	Preference dividend paid		-	(6)	(15)
6 194	20 534	241	Net cash from financing activities		16	1 327	568
(9 587)	(5 765)	(95)	Net decrease in cash and cash equivalents		(7)	(372)	(589)
252	91	(661)	Effects of exchange rate changes on cash and cash equivalents		(20)	(161)	(202)
13 689	13 689	4 354	Cash and cash equivalents at beginning of period		260	1 051	1 051
4 354	8 015	3 598	Cash and cash equivalents at end of period	4	233	518	260

Notes to the summary consolidated financial statements for the six months ended 30 September

1. ACCOUNTING POLICIES

1.1 Basis for preparation

The financial statements of the Group 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 condensed financial statements are presented in accordance with IAS 34: Interim Financial Reporting and in accordance with the framework concepts and measurement and recognition requirements of IFRS. The accounting policies and methods of computation are consistent with those applied in the annual 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: USD (US$), GBP (£/GBP) or SA Rand. The holding company, Brait SE, and its main operating subsidiaries use GBP as their functional currency. The financial statements have been prepared using the following exchange rates:

	30 September 2016		31 March 2016		30 September 2015	
	Closing	Average	Closing	Average	Closing	Average
USD/ZAR	13.7268	14.5313	14.7678	13.7836	13.8550	12.5479
GBP/ZAR	17.8155	19.9926	21.2052	20.7245	20.9555	19.3389
EUR/ZAR	15.4336	16.3167	16.7810	15.2210	15.4846	13.9290
USD/EUR	0.8894	0.8906	0.8800	0.9055	0.8948	0.9008
GBP/EUR	1.1543	1.2253	1.2636	1.3616	1.3533	1.3884

2. INVESTMENTS

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

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

Listed investments are held at recent 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 investee companies 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 portfolio company's financial 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 to the portfolio company being valued. The peer average spot multiple at reporting date is also considered. The equity valuation takes consideration of the portfolio company's net debt/cash on hand as per its latest available financial results. Further valuation information can be obtained from the 30 September 2016 investor presentation on the Group's website, www.brait.com.

Audited year ended 31 March 2016 R'm	Unaudited six months 30 Sept 2015 R'm	Unaudited six months 30 Sept 2016 R'm		Unaudited six months 30 Sept 2016 EUR'm	Unaudited six months 30 Sept 2015 EUR'm	Audited year ended 31 March 2016 EUR'm
34 869	32 371	18 726	New Look	1 213	2 091	2 078
17 579	16 298	16 107	Virgin Active	1 044	1 053	1 048
11 637	9 804	13 485	Premier	874	633	693
7 181	1 829	7 660	Iceland Foods	496	118	428
1 770	1 596	2 164	Other investments	140	102	105
73 036	61 898	58 142	Investments	3 767	3 997	4 352
-	15 010	-	Investment in Steinhoff (190 million shares at 2 October 2015 realisation value of R79.00 per share)	-	969	-

Valuation metrics at 30 September 2016

	EBITDA	Multiple	Third-party net debt

New Look (GBP'm)	203	11.3x	1 100
Virgin Active (GBP'm)	135	11.4x	370
Premier (R'm)	1 211	13.2x	1 508
Iceland Foods (GBP'm)	153	9.4x	688
Other investments		varied	

Fair Value Hierarchy

IFRS 13 provides a hierarchy that classifies inputs used 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 and no transfers between levels in the current or prior periods.

Investments Level 1 R'm	Investments Level 3 R'm	Total R'm	2016	Investment Level 1 EUR'm	Investments Level 3 EUR'm	Total EUR'm
-	18 726	18 726	New Look	-	1 213	1 213
-	16 107	16 107	Virgin Active	-	1 044	1 044
-	10 547	10 547	Premier	-	684	684
-	7 660	7 660	Iceland Foods	-	496	496
2	1 826	1 828	Other investments	-	118	118
2	54 866	54 868	Investments at fair value	-	3 555	3 555
		2 938	Premier shareholder funding			190
		336	Other investments shareholder funding			22
		3 274	Investments at amortised cost			212
		58 142	Total investments			3 767

Audited year ended 31 March 2016 R'm	Unaudited six months 30 Sept 2015 R'm	Unaudited six months 30 Sept 2016 R'm		Unaudited six months 30 Sept 2016 EUR'm	Unaudited six months 30 Sept 2015 EUR'm	Audited year ended 31 March 2016 EUR'm
			3. LOAN RECEIVABLE			
1 841	1 753	1 942	Loan to Fleet Holdings Ltd (Fleet)	126	113	110
(1 841)	(1 151)	(1 942)	Loan from Fleet	(126)	(74)	(110)
-	602	-	Net loan to Fleet	-	39	-

The loans bear interest at the three-month Johannesburg Inter Bank Acceptance Rate ("JIBAR") plus 3.45%, with the right to roll up interest. The loans mature in November 2020. Fleet refinanced the amount owing to Brait Mauritius Limited with FirstRand Bank Limited (trading through its Rand Merchant Bank division) and The Standard Bank of SA Limited ("Lenders"). Brait has provided the Lenders to Fleet with an indemnity for the amount owing. Brait holds collateral in the form of pledged Brait share for this indemnification.

Audited year ended 31 March 2016 R'm	Unaudited six months 30 Sept 2015 R'm	Unaudited six months 30 Sept 2016 R'm		Unaudited six months 30 Sept 2016 EUR'm	Unaudited six months 30 Sept 2015 EUR'm	Audited year ended 31 March 2016 EUR'm
			4. CASH AND CASH EQUIVALENTS			
4 354	8 015	3 598	Balances with banks(1)	233	518	260
172	94	171	- ZAR cash	11	7	10
69	97	78	- USD cash	5	6	5
4 113	7 824	3 349	- GBP cash	217	505	245

(1) Cash placed across five banks with an investment grade credit rating

Audited year ended 31 March 2016 R'm	Unaudited six months 30 Sept 2015 R'm	Unaudited six months 30 Sept 2016 R'm			Unaudited six months 30 Sept 2016 EUR'm	Unaudited six months 30 Sept 2015 EUR'm	Audited year ended 31 March 2016 EUR'm
69 872	63 549	53 277	5.	ORDINARY SHAREHOLDERS' EQUITY AND RESERVES	3 451	4 231	4 164

Ordinary share capital and premium
Authorised share capital
1 500 000 000 at par value of €0.22 per share.

Issued share capital	
31 March 2016	520 624 835
Bonus share issue	387 339*
30 September 2016	521 012 174

Dividend

(22)	(22)	(648)	91% of ordinary shareholders elected to receive the cash alternative	(42)	(1)	(1)

* The par value of the bonus shares issued are accounted for in Ordinary Share Premium with no adjustment to any other reserves in Equity. The bonus share issue option was converted at 60 day Volume Weighted Average Price (VWAP) of R157.73 per share to result in the R1.3627 dividend per share translating into 0.86394 shares for every 100 shares held.

Audited year ended 31 March 2016 R'm	Unaudited six months 30 Sept 2015 R'm	Unaudited six months 30 Sept 2016 R'm			Unaudited six months 30 Sept 2016 EUR'm	Unaudited six months 30 Sept 2015 EUR'm	Audited year ended 31 March 2016 EUR'm
			6.	CONVERTIBLE BONDS			
6 621	6 466	5 630		On 18 September 2015 Brait received GBP350 million from the issuance of its five-year unsubordinated, unsecured convertible bonds (Bonds).	365	418	395

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 fixed conversion price adjusted for dividends is GBP7.8400 per ordinary share. Using this conversion price, the Bonds will convert into 44 184 109 ordinary shares (8.5% 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. Brait has a soft call to early settle the Bonds at their par value after 9 October 2018, if the share price is equal to, or exceeds GBP10.192 (30% premium to the conversion price) for more than 20 of the 30 consecutive trading days on or after 9 October 2018. The conversion option was recognised directly in equity on issue date. The liability is accounted for at amortised cost using an effective interest rate of 5.51%

The Bonds listed on the Open Market (Freiverkehr) segment of the Frankfurt Stock Exchange on 15 October 2015.

Audited year ended 31 March 2016 R'm	Unaudited six months 30 Sept 2015 R'm	Unaudited six months 30 Sept 2016 R'm			Unaudited six months 30 Sept 2016 EUR'm	Unaudited six months 30 Sept 2015 EUR'm	Audited year ended 31 March 2016 EUR'm
1 100	13 407	2 736	7.	BORROWINGS	177	866	65

The loan from the Lenders is Rand denominated, bears interest at JIBAR plus 2.5% repayable quarterly, with a right to rollup. The current facility expires in October 2017. The Group is in the final stages of concluding a new ZAR8.5 billion facility with the Lenders, which will have a four year term to November 2020.

Audited year ended 31 March 2016 R'm	Unaudited six months 30 Sept 2015 R'm	Unaudited six months 30 Sept 2016 R'm		Unaudited six months 30 Sept 2016 EUR'm	Unaudited six months 30 Sept 2015 EUR'm	Audited year ended 31 March 2016 EUR'm
			8. HEADLINE EARNINGS RECONCILIATION			
22 157	18 096	(4 520)	(Loss)/profit for the period	(277)	1 299	1 456
(98)	(97)	-	Preference dividend paid December	-	(6)	(5)
(60)	-	-	Preference dividend paid June	-	-	(3)
21 999	17 999	(4 520)	(Loss)/earnings and headline (loss)/earnings	(277)	1 293	1 448
512	512	510	Weighted average ordinary shares in issue (m) - basic	510	512	512
4 294	3 518	(887)	(Loss)/earnings and headline (loss)/earnings per share (cents) - basic	(54)	253	283
21 999	17 999	(4 520)	(Loss)/earnings and headline (loss)/earnings	(277)	1 293	1 448
189	12	171	(Loss)/earnings adjustment for Bonds interest saved if Bonds converted to shares	10	1	12
22 188	18 011	(4 349)	Diluted (loss)/earnings and headline (loss)/earnings	(267)	1 294	1 460
536	515	554	Weighted average ordinary shares in issue (m) - diluted(1)	554	515	536
4 141	3 501	(785)	(Loss)/earnings and headline (loss)/earnings per share (cents) - diluted	(48)	251	272

(1) All ordinary shares underlying the Bonds are treated as dilutive and weighted from issue of the Bonds on 11 September 2015

Audited year ended 31 March 2016 R'm	Unaudited six months 30 Sept 2015 R'm	Unaudited six months 30 Sept 2016 R'm		Unaudited six months 30 Sept 2016 EUR'm	Unaudited six months 30 Sept 2015 EUR'm	Audited year ended 31 March 2016 EUR'm

9. RELATED PARTIES

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. Transactions between the Company and its subsidiaries are disclosed in the Company's separate financial statements. During this period, Group companies entered into the following transactions with related parties who are not members of the Group:

			Profit from operations include:			
(17)	(5)	(9)	Non-executive directors fees	(1)	-	(1)
(5)	(1)	(1)	Professional Fees - M Partners S.à r.l	-	-	-
(1)	(1)	(3)	Professional Fees - Maitland International Holdings Plc	-	-	-

Audited year ended 31 March 2016 R'm	Unaudited six months 30 Sept 2015 R'm	Unaudited six months 30 Sept 2016 R'm		Unaudited six months 30 Sept 2016 EUR'm	Unaudited six months 30 Sept 2015 EUR'm	Audited year ended 31 March 2016 EUR'm
			10. CONTINGENT LIABILITIES AND COMMITMENTS			
			10.1 Contingencies			
			Fleet indemnity - Fleet refinanced the amount owing to Brait Mauritius Limited with the Lenders. 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 this indemnification. Refer note 3.			
			10.2 Commitments			
8 340	8 343	6 920	Convertible Bond commitments	448	539	497
204	202	171	- Coupon payments due within one year	11	13	12
714	807	514	- Coupon payments due between one and four years(1)	33	52	43
7 422	7 334	6 235	- Principal settlement due in four years(1)	404	474	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 share price is equal to, or exceeds GBP10.192 (30% premium to the fixed conversion price) for more than 20 of the 30 consecutive trading days up to 9 October 2018. The conversion option was recognised directly in equity on issue date. The liability is accounted for at amortised cost using an effective interest rate of 5.51%. If the soft call is exercised, coupons from 18 September 2018 to 18 September 2020 will not be payable.			
117	117	119	Private equity funding commitments	8	8	7
			Rental commitments (Malta and Mauritius)			
2	2	2	- Within one year	-	-	-
3	3	3	- Between one and five years	-	-	-
8 462	8 465	7 044	Total commitments	456	547	504
			10.3 Other			
			The group has rights and obligations in terms of shareholder or purchase and sale agreements relating to its present or former investments.			

11. POST BALANCE SHEET EVENTS

No events have taken place between 30 September 2016 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.

REVIEW OF OPERATIONS

The Board of Directors is pleased to report to shareholders on the Group's interim results at 30 September 2016.

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 to closing NAV yield.

Growth in NAV

Brait's valuation policy is to reference the EV/EBITDA valuation multiple on a historical basis for each of its investments to their peer group's trailing three year average multiple. At 30 September 2016, the EV/EBITDA historical valuation multiples used are:

	30 September 2016		30 September 2015	
	Valuation multiple used	Peer average: 3 year trailing	Valuation multiple used	Peer average: 3 year trailing
New Look	11.3x	14.9x	13.3x	14.8x
Virgin Active	11.4x	13.8x	10.8x	13.5x
Premier	13.2x	13.2x	12.6x	12.6x
Iceland Foods	9.4x	10.0x	8.0x	9.9x

The discounts when comparing the valuation multiples used to respective peer average multiples are:

	30 September 2016		30 September 2015	
	Discount to peer average: 3 year trailing	Discount to peer average: spot	Discount to peer average: 3 year trailing	Discount to peer average: spot
New Look	24%	10%	10%	13%
Virgin Active	17%	17%	20%	24%
Premier	-	6%	-	16%
Iceland Foods	6%	7%	19%	23%

The NAV break-down is as follows:

30 Sep 2015 ZAR'm	30 Sep 2016 ZAR'm		%	30 Sep 2016 EUR'm	30 Sep 2015 EUR'm
61 898	58 142	Investments	94	3 767	3 997
32 371	18 726	New Look	30	1 213	2 091
16 298	16 107	Virgin Active	26	1 044	1 053
9 804	13 485	Premier	22	874	633
1 829	7 660	Iceland Foods	12	496	118
1 596	2 164	Other investments	4	140	102
602	-	Loan receivable	-	-	39
9 618	3 598	Cash and cash equivalents	6	233	621
13	4	Accounts receivable	-	-	1
72 131	61 744	Total assets	100	4 000	4 658
6 618	8 467	Total liabilities		549	427
-	2 736	Borrowings		177	-
6 466	5 630	Convertible bond		365	418
152	101	Accounts payable		7	9
1 964	-	Preference share equity		-	127
63 549	53 277	Net asset value		3 451	4 104
514.58	507.10	Number of issued ordinary shares ('mil, excluding treasury shares)		507.10	514.58
12 350	10 506	Net asset value per share (cents)		681	798

Key highlights for the Group's investment portfolio are:

New Look

- The UK clothing and apparel sector remains challenging as a result of continued unseasonal weather through autumn, declining UK consumer confidence and reduced footfall. Based on Kantar WorldPanel data for the 24 weeks ended 25 September 2016 (source for UK market shares quoted hereafter), the UK womenswear market declined in value by 3.3%.

- New Look's sales (in GBP) for the 26 weeks ended 24 September 2016 declined by 5.0% on the comparative period, with New Look Group like-for-like (LFL) sales down 8.4% and UK LFL sales down 8.8%. New Look remains the UK's number two womenswear retailer with 5.9% market share (September 2015: 6.4%) and the largest total womenswear UK retailer for under 35's. The decline in market share is due, in part, to launching spring/summer and then autumn clothing too early as the weather was unseasonably cool & unseasonably warm respectively during these transitional periods. Management have implemented plans to mitigate this effect by having more layering to mitigate the impact of weather as well as being more responsive to trends.
- Own website sales growth was 9.5% on the comparative period. The successful launch of New Look's new online platform for international websites (Germany and France) in September 2016 allows for true localized trading of these sites, optimising the experience on mobile devices. A 'New Look Delivery Pass' is planned to launch before the end of this year, which will enable free annual delivery for a set one-off fee.
- 3rd Party E-commerce sales growth was 21.5% on the comparative period, driven by an increasing volume of sales to key strategic partners.
- International sales growth was 16.5% on the comparative period, primarily driven by the increase in stores in China. China continues to deliver positive LFL sales, with the store model proving successful throughout the city tiers. New Look opened 17 new stores in China during the first half of FY17, and closed 5, taking the total in operation to 97 stores, with 40 new stores approved to open during the second half of FY17. Work continues towards a multichannel offering, with online presence on TMall and Jing Dong. Domestic sourcing now accounts for more than 75% of New Look's range in China and its dedicated buying teams source c.35% of the range exclusively for the Chinese market to tailor ranges for customer needs.
- Menswear sales growth was 18%, which is particularly pleasing as the UK Mens market declined by 3.1% on the comparative period. New Look's Menswear sales continue to be driven by improved product offering and the rollout of standalone stores, of which there are currently 15 (7 opened in H1 FY2017), with a strong pipeline of growth for the second half of FY17.
- New Look continues to work closely with its supply chain partners to improve sourcing and increase intake margin to mitigate currency headwinds. New Look is fully hedged at pre-Brexit rates against its USD exposures for FY2017. Price architecture is continually reviewed in line with the market, with the focus on mid segment prices, whilst seeking to protect entry prices.
- Following the repurchase and cancellation of GBP23.3 million of Senior Notes during Q2 of FY17, New Look's cash position is strong, closing at GBP108.8 million, GBP8.8 million higher than the comparative period.
- New Look's third party debt is entirely via a High Yield Bond with a HY2017 carrying value including accrued interest of GBP1,240m, which (i) has no covenants other than certain limited restrictions, given the coupon servicing requirement; (ii) has an average remaining term of 6 years with a bullet repayment profile; and (iii) is more than 80% fixed in terms of interest rate and GBP exposure. In addition to cash on hand of GBP109m, New Look has an undrawn revolving credit facility of GBP100 million. Net third party debt per Brait's valuation of GBP1,100m also includes a GBP31m fair value gain on cross currency swaps.
- The group's total estate closed at 850 stores (H1 FY16: 832 stores), with a total of 488 stores trading in the Concept format.
- New Look, in which Brait has an effective 79.9% (HY16: 79.8%) equity interest post dilution for the performance based sweet equity granted to the New Look management team, is valued at reporting date using an EV/EBITDA multiple of 11.3x (HY16: 13.3x), which represents a discount of 24% to the peer group's three year trailing average multiple of 14.9x and a 10% discount to the peer group's average spot multiple, adjusted for net debt. Applying the closing GBP/ZAR exchange rate of ZAR17.82, the resulting ZAR18.7 billion carrying value (HY16: ZAR32.4 billion) represents 30% of Brait's total assets (HY16: 45%). The New Look HY17 debt investor presentation is available at www.brait.com.

Virgin Active

- For the nine months ended 30 September 2016, Revenue and EBITDA measured in constant currency, for continuing operations, increased by 6% and 12% on the comparative period respectively, reflecting growth across all territories. The continuing operations EBITDA margin reflected a pleasing increase from 20.1% to 21.2%. The discontinued operations relate to 36 non-core UK clubs exited in July 2016, 35 of which were sold to Nuffield Health. The continuing UK estate is stronger and more cash generative, focussed on prime sites in London, the South East and other major metropolitan areas.
- On a continuing operations basis, total clubs have increased year-to-date (YTD) by 8 to 247, with total membership largely constant at 1.2 million. 7 of these clubs were opened in South Africa (4 RED, 1 Lifecentre and 1 Collection) and 1 in Thailand. A further 8 clubs are planned to open throughout the rest of the year, including 6 in South Africa, 1 in Thailand and 1 in Singapore.
- Net debt for the period ending September 2016 was GBP392m, comprised of GBP476m of interest bearing bank debt, GBP36m of finance leases, and GBP121m of cash. The cash balance has increased significantly from December 2015, largely as a result of proceeds from the Nuffield transaction. Interest bearing bank debt, measured in pounds sterling, has increased from December 2015 as a result of a strengthening Rand, while finance leases have decreased following the sale of 35 UK clubs to Nuffield. The net debt leverage ratio (measured as a multiple of December 2015 EBITDA) was 2.9x.
- Virgin Active is committed to product innovation and the continual search for new ways to help members become and stay active. YTD highlights include: (i) new logo, brand values and brand architecture; (ii) a focus on creating the best digital journey in class, with improvements to activity tracking (especially in South Africa), online and app functionality across all territories, and wi-fi connectivity within the clubs to facilitate device integration and digital services offerings; (iii) a number of product innovations, including the introduction across selected clubs of a revolutionary group cycle product, the Pack; Iron Zuu, Virgin Active's first class designed for weight lifters; HEAT (High Energy Athletic Training), a fast paced interval training programme; and the launch of Hydro, the first in-club high intensity pool based swimming class; and (iv) the relaunch of Virgin Active Academy to provide professional development to personal trainers in the UK and Italy.

- Virgin Active, in which Brait has an effective 70.5% (HY16: 70.4%) equity interest post dilution for the performance based sweet equity granted to the Virgin Active management team, is valued at reporting date using an EV/EBITDA multiple of 11.4x (HY16: 10.8x), which represents a discount of 17% to the peer group's three year trailing average multiple of 13.8x and an 17% discount to peer average spot multiple, adjusted for net debt. Applying the closing GBP/ZAR exchange rate of ZAR17.82, Virgin Active's carrying value is ZAR16.1 billion (HY16: ZAR16.3 billion), which represents 26% of Brait's total assets (HY16: 23%).

Premier
- Revenue for the financial year ending 30 June 2016 increased by 27% on FY15. EBITDA margin of 10.4% (FY15: 9.7%) exceeded management's target set five years ago of 10%, with EBITDA increasing by 36% for the year.
- These FY16 results included the three acquisitions made by Premier in March 2015, which were included for the first time in FY16, the most significant of which is Premier's subsidiary in Mozambique, CIM (the leading food producing company in Mozambique). Excluding these acquisitions, revenue increased by 10% and EBITDA by 18%.
- The Baking division continues to deliver on the capex investments made during the past few years and a focus on quality, increasing LFL bread sales volumes in a competitive environment by 6%, selling 559 million loaves for the year.
- The Milling division performed well in a difficult market environment as a result of significant increases in grain prices due to the severe drought, Rand depreciation and the effect of the wheat import tariff. In April 2016, Premier launched a range of breakfast products, which comprises instant maize porridge offerings launched under Premier's existing maize brands and a new brand "THRIVE", sales of which are in line with expectations.
- The Grocery division, which comprises Sugar Confectionery, Lil-lets and CIM has traded well. The Sugar Confectionery business delivered strong top and bottom line performance, with sales volumes up 7% and revenue growth of 19% on FY15. Lil-lets has gained share in the pads and liners categories in South Africa to add to its significant share of the tampon category and its UK business has stabilised in a difficult market environment. CIM delivered a strong set of FY16 results, exceeding expectations with EBITDA in ZAR 21% ahead of budget, notwithstanding the volatile macro-economic conditions in that country and 65% devaluation of the local currency (Metical) to the USD and 36% to the Rand.
- Premier's capital expenditure programme has peaked in FY16 with a total of ZAR1.2 billion invested during the year. This brings the aggregate capital investment over the past five years to R2.4 billion, funding a number of major completed projects that have generated both attractive returns as well as important qualitative benefits for the Premier product range.
- Continued growth in EBITDA, which has grown by 39% per annum over the past five years to 30 June 2016, has reduced the level of net third party debt to ZAR1,810m at 30 June 2016.
- Premier, in which Brait owns 91.4% (HY16: 90.3%), is valued at reporting date using an EV/EBITDA multiple of 13.2x (HY16: 12.6x) which represents the peer group's average three year trailing multiple and a 6% discount to the peer group's average spot multiple, adjusted for net debt. Premier's carrying value of ZAR13.5 billion (HY16: ZAR9.8 billion) represents 22% of Brait's total assets (HY16: 14%).

Iceland Foods:
- Sales (in GBP) for the 24 weeks ending 9 September 2016 increased by 1.3% on the comparative period. Second quarter LFL sales reflected growth of 0.8%, a particularly pleasing result given that Kantar WorldPanel data for the 12 weeks ending 9 October 2016 reported UK food deflation at 0.8%. This represents a significant improvement from Iceland's first quarter LFL decline of 2.4%, resulting in YTD LFL sales improving to negative 0.8% on the comparative period.
- The improved LFL performance principally reflects successful new product development, the Power of Frozen advertising campaign, a positive customer response to Iceland's value deals, marketing door drops, continued growth of the online business and the flexing of store opening hours across the Iceland estate.
- A number of successful products were launched during the period including a new range of luxury frozen meat, authentic Italian seafood, and a comprehensive range of Indian and Oriental 'takeaway' prepared meals. Iceland continued to refresh and extend its exclusive Slimming World™ range, and at the end of the second quarter launched an exclusive new range of Pizza Express frozen pizzas, prepared meals and desserts, adding to the roster of exclusive brand partnerships that also includes Millie's Cookies and Greggs.
- The 'Power of Frozen' marketing continues, with TV advertising in the UK featuring many of the new products in the latest phase of 'The Moment We Met Iceland' campaign, which includes real life families, as well as Iceland's online shopping service. Press advertising has focussed on Iceland's outstanding weekly deals.
- Strong demand continues for both Iceland's unique Home Delivery, which provides delivery free of charge on in-store purchases of over GBP20, and Online service, which is available throughout the UK with free delivery to customers spending in excess of GBP35. In August 2016, Iceland opened a 20,000 sq ft 'dark store' in an industrial unit in Tipton, to serve as a dedicated online order picking centre for the Birmingham area. The new facility enables (i) a wider product range, (ii) an improved service offering to Iceland's online customers and (iii) an increase in the capacity of nearby Iceland stores to focus on developing their Home Delivery business for in-store purchases.
- Iceland has opened 15 new stores in the current 24 week period, including 8 Food Warehouse stores, which continue to perform well. Taking into account five store closures in this period, the estate stands at 891 stores, of which 872 are in the UK, which includes 20 Food Warehouse stores. Within the core Iceland estate, the focus is on refitting existing stores to ensure they remain appealing places to shop.
- Iceland remains highly cash generative, with the company's cash balance on hand of GBP171 million having increased on the comparative period, notwithstanding the purchase and redemption of a nominal GBP38.8 million Iceland bonds at a discount of GBP3.6 million during the second quarter.
- Iceland's third party debt is entirely via a High Yield Bond with a HY2017 carrying value of GBP859m, which (i) has no covenants other than certain

limited restrictions, given the coupon servicing requirement; (ii) has an average remaining term of 5 years with a bullet repayment profile; (iii) is two thirds fixed in terms of interest rate and (iv) entirely GBP exposure. In addition, Iceland has an undrawn revolving credit facility of GBP30 million.
- As most of Iceland's inputs are Pound denominated, with only 7% of its suppliers based in Europe, its direct exposure to Pound weakness is relatively low.
- Iceland Foods, which since November 2015 is 57.1% owned by Brait (Sep 2015: 18.7%), is valued at reporting date using an EV/EBITDA multiple of 9.4x (HY16: 8.0x), which represents a discount of 6% to the peer group's average three year trailing multiple of 10.0x and a 7% discount to the peer group's average spot multiple, adjusted for net debt. Applying the closing GBP/ZAR exchange rate of ZAR17.82, Iceland Foods' carrying value of ZAR7.7 billion (HY16: ZAR1.8 billion) represents 12% of Brait's total assets (HY16: 3%). The Iceland Foods HY17 debt investor presentation is available at www.brait.com.

Other investments:
- The increase in carrying value is attributable to the continued strong performance of Brait's 81.3% investment in DGB. For its financial year ended 30 June 2016, DGB's EBITDA increased by 21% to ZAR181 million.
- At reporting date, the Other Investments portfolio carrying value of ZAR2.2 billion (HY16: ZAR1.6 billion) comprises 4% of Brait's total assets (HY16: 2%).

Low cost to AUM ratio
Operating expenditure for the six month period is ZAR228 million. On an annualised basis, using average AUM for the period as the reference basis, operating costs are 0.63% (FY2016: 0.62%) and net after fee income are 0.54% (FY2015: 0.52%), compared to the target of 0.85% or less. Other expenses of ZAR66 million includes the accrual of costs associated with the proposed transfer of the registered office from Malta to the UK and given their nature are shown separate to ongoing operating expenses for the period.

Minimal balance sheet cash drag
The Group targets minimal cash holdings on balance sheet to avoid diluting overall returns. The Group's cash and equivalents position at period-end of ZAR3.6 billion represents 6.8% of NAV which is well within the benchmark maximum of 25% of NAV.

Significant cash flow within the underlying assets
Brait's portfolio of investments remain highly cash flow generative with high earnings-to-cash conversion ratios.

Predictable and consistent ordinary dividend to NAV yield
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. The extent of any bonus shares and cash dividends are determined relative to net operating cash flows. These include proceeds received on the realisation of loans and investments from time to time and which are not earmarked for new projects or required for liquidity.

During the six month period under review, a bonus share issue, with a cash dividend alternative, of 1% of ZAR136.27 per share, relating to the year ended 31 March 2016, was paid on 15 August 2016 ("FY2016 Dividend"). 91% of shareholders elected to receive cash, with 9% electing to receive bonus shares. At 30 September 2016, issued ordinary share capital, net of treasury shares, is 507.10 million shares.

CONVERTIBLE BOND
Brait's GBP350 million unsubordinated, 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. On exercise of bondholder conversion rights, these Bonds will convert into 44.184 million ordinary shares (8.5% of Brait's current issued share capital). In accordance with the terms and conditions of these Bonds, the payment of the FY2016 Dividend resulted in the Company announcing on 17 August 2016 an adjustment to the Bonds' conversion price, from GBP7.9214 to GBP7.8400.

The coupon falling due in the current six month period of GBP4.8m, was paid on 18 September 2016. In accordance with IAS 32 (Financial Instruments: Presentation), the Bonds' liability component is measured at reporting date as GBP316 million. Applying the closing GBP/ZAR exchange rate of ZAR17.82, results in the Bonds' translated carrying value of ZAR5.6 billion.

GROUP FUNDING POSITION
The Group's current facility expires in October 2017. The Group is in the final stages of concluding an increased committed revolving facility of ZAR8.5 billion. The facility would bear interest at JIBAR plus 3% and would be repayable quarterly with a right to rollup. The facility would mature in November 2020.

PROPOSED TRANSFER OF THE REGISTERED ADDRESS OF BRAIT FROM MALTA TO THE UNITED KINGDOM

As announced by the Company on 14 September 2016, the Company has filed a transfer proposal (the "Transfer Proposal") with the Maltese Registry of Companies, in connection with its proposal to transfer its registered office from Malta to the United Kingdom (the "Transfer"). The Transfer will be implemented pursuant to Council Regulation (EC) No. 2157/2001 on the Statute for a European Company (the "SE Regulation").

On 31 October 2016, the Company published a shareholder circular and notice of extraordinary general meeting (the "Circular") setting out details of the Transfer and the resolutions to be sought at an extraordinary general meeting (the "EGM") to be held on 22 November 2016. The Transfer is subject to, amongst other things, shareholder approval, which will be sought at the EGM.

Further details relating to the Transfer and the resolutions to be proposed at the EGM are set out in the Circular (available at www.brait.com). Shareholders should note that, notwithstanding the passing of the resolutions to be proposed at the EGM, there can be no guarantee that the Transfer will take place. 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 interest of the Company.

GROUP OUTLOOK

- The UK apparel market continues to be challenging. New Look remains focussed on its six pillar long term growth strategy. Buying processes and teams have been revised to ensure the right product is landed at the right time. Out-of-home marketing across key markets has been increased to improve 'top of mind' brand awareness alongside an impactful Christmas window scheme in preparation for the peak trading period to come in Q3 of FY17. The recent macro events have highlighted the importance of increasing the diversity of operations and growing the positive reactions to date in (i) the international diversification into China, where the milestone of 100 stores will soon be reached, and key European markets of France, Poland and Germany; (ii) Menswear, through further improved product offering and rollout of standalone stores; and (iii) online, growing New Look's presence in markets which are not part of the international store portfolio, as well as enhancing the seamless experience for customers shopping across all of New Look's channels. New Look's strong cash generation sees it well placed going forward to service the coupon on its High Yield Bond, which is more than 80% fixed in terms of both interest rate and GBP exposure.
- Virgin Active remains focussed on being the leading premium health club operator in its chosen markets. UK performance has remained stable following the UK's Brexit vote, with the streamlined estate benefitting from higher cash generation, a lower capex profile, and attractive growth prospects. The South African business is well placed to deal with an increasingly challenging market and Asia Pacific remains an exciting growth region with six sites identified for FY2017. Virgin Active is on track to deliver double digit constant currency EBITDA growth for FY2016. Looking ahead to FY2017, there is a strong new club pipeline in Southern Africa and Asia Pacific, with further investment planned for its digital customer journey and club proposition, which will see the business well placed to succeed in an ever more uncertain global macro climate.
- While the macro economic conditions for food producers remains difficult due to weak consumer spending and the effects of the drought, Premier continues with its strategy of brand building, through producing consistent quality offerings and product innovation as well as operational efficiencies. Premier's core brands are well positioned to compete in their respective markets and deliver double digit EBITDA growth and margin expansion. FY2016 has been the peak year of Premier's investment programme over the past five years. As capital investment moves more in line with industry norms going forward, free cash flow generation will increase significantly.
- Iceland Foods' positive second quarter LFL sales performance has continued into its third quarter to date. The September 2016 opening of Iceland's new state-of-the-art product development kitchen enhances product innovation and provides new capabilities to support the advertising campaign. Expansion of The Food Warehouse remains on track, with a further 17 new stores planned for the second half of FY17. Iceland's market position, strong cash generation and supply chain see it well placed to cope with the uncertainties arising from Brexit.

Brait continues to explore new pools of capital to enhance its capital structure and ensure that it is well placed for new opportunities to complement its portfolio. Across the portfolio there is heightened awareness of continued strong cash flow generation in this challenging macro environment. In partnership with portfolio management teams, the Group continues its focus on strategic value drivers, which will see it well placed to enhance sustainable long term shareholder returns.

For and on behalf of the Board

PJ Moleketi
Non-Executive Chairman

16 November 2016

Directors (all non-executive)
PJ Moleketi (Chairman)*, JC Botts^, AS Jacobs##, Dr LL Porter##, CS Seabrooke*, HRW Troskie**, Dr CH Wiese*

British ^American **Dutch *South African

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
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