Brait SE
(Registered in Malta as a European Company)
(Registration No. SE1)
Share code: BAT ISIN: LU0011857645
Bond code: WKN: A1Z6XC ISIN: XS1292954812
LEI: 549300VB8GBX4UO7WG59
("Brait", the "Company" or "Group")

AUDITED RESULTS ANNOUNCEMENT
for the 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 ZAR 21.21 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

Performance against targets

	Performance metric	Position at 31 March 2017
1	NAV CAGR > 15% per year over any 3 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% of 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	Primary 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

Summary consolidated statement of financial position as at

Audited 31 March 2016 R'm	Audited 31 March 2017 R'm		Notes	Audited 31 March 2017 EUR'm	Audited 31 March 2016 EUR'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	4	2 763	4 164
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

Summary consolidated statement of comprehensive income for the year ended

Audited 31 March 2016 R'm	Audited 31 March 2017 R'm		Notes	Audited 31 March 2017 EUR'm	Audited 31 March 2016 EUR'm
21 990	(15 085)	Investment (losses)/gains		(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
(435)	(401)	Operating expenses		(26)	(29)
-	(76)	Other expenses		(5)	-
(971)	(659)	Finance costs		(43)	(63)
(24)	(29)	Taxation		(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
4 294	(3 119)	(Loss)/earnings per share (cents) - basic	7	(202)	283
4 141	(2 809)	(Loss)/earnings per share (cents) - diluted	7	(182)	272

Summary consolidated statement of changes in equity for the year ended

Audited 31 March 2016 R'm	Audited 31 March 2017 R'm		Note	Audited 31 March 2017 EUR'm	Audited 31 March 2016 EUR'm
39 369	69 872	Ordinary shareholders' balance at beginning of year		4 164	3 023
22 157	(15 854)	(Loss)/profit for the year		(1 028)	1 456
8 064	(12 879)	Translation adjustments		(266)	(338)
(36)	-	Preference share issue cost allocated to Retained Earnings on redemption		-	(2)
(270)	(930)	Net purchase of treasury shares		(65)	(16)
864	-	Convertible bond equity reserve		-	57
(254)	-	Earnings attributed to preference shares		-	(15)
(22)	(629)	Ordinary dividend paid (cash election)	4	(42)	(1)
69 872	39 580	Ordinary shareholders' balance at end of year		2 763	4 164

Summary consolidated statement of cash flows for the year ended 31 March 2017

Audited 31 March 2016 R'm	Audited 31 March 2017 R'm		Note	Audited 31 March 2017 EUR'm	Audited 31 March 2016 EUR'm
		Cash flows from operating activities:			
17 438	300	Investment proceeds received		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		(12)	(2 222)
(14 837)	2	Net cash used 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	3	230	260

Notes to the audited summary consolidated financial statements for the year ended 31 March 2017

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 summarised financial statements are presented in accordance with the framework concepts, measurement and recognition requirements of IFRS. 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 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.

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: Pond 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

2. INVESTMENTS

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. 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 31 March 2017 investor presentation on the Group's website, www.brait.com.

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

	Valuation metrics at March 2017			Valuation metrics at March 2016		
	Maintainable EBITDA	Multiple	3rd Party Net Debt	Maintainable EBITDA	Multiple	3rd Party Net Debt
Virgin Active (GBP'm)	140	11.4x	411	135	11.0x	408
Premier (R'm)	1 140	13.2x	1 850	1 125	12.7x	1 946
Iceland Foods (GBP'm)	160	9.0x	675	151	8.8x	731
New Look (GBP'm)	155	10.3x	1 136	227	13.3x	1 083
Other investments		varied			varied	

Fair Value Hierarchy

IFRS 13 Fair Value Measurement provides a hierarchy that classifies inputs employed to determine fair value. Investment 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 asset 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.

Investment Level 1 R'm	Investment Level 3 R'm	Total R'm	Investment designated as Fair Value through profit & loss 2017	Investment Level 1 EUR'm	Investment Level 3 EUR'm	Total EUR'm
-	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
		2 854	Premier shareholder funding			199
		279	Other investments shareholder funding			20
		3 133	Investments at amortised cost			219
		44 408	Total investments			3 100

2016 2017 2017 2016

R'm	R'm			EUR'm	EUR'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
69 872	39 580	4.	ORDINARY SHAREHOLDERS' EQUITY AND RESERVES	2 763	4 164
			Ordinary share capital and premium		
			Authorised share capital		
			1 500 000 000 at par value of EUR0.22 per share.		

Issued share capital

31 March 2016	520 624 835
Bonus share issue	387 339*
31 March 2017	521 012 174

		Dividend		
(22)	(629)	91% of ordinary shareholders elected to receive the cash alternative	(42)	(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.

2016 R'm	2017 R'm			2017 EUR'm	2016 EUR'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 initial 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

2016 R'm	2017 R'm			2017 EUR'm	2016 EUR'm
		7.	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

2016 R'm	2017 R'm			2017 EUR'm	2016 EUR'm
		8.	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)	-

9. CONTINGENT LIABILITIES AND COMMITMENTS

9.1 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 FirstRand 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.

2016 R'm	2017 R'm		2017 EUR'm	2016 EUR'm
		9.2 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.

2016 R'm	2017 R'm		2017 EUR'm	2016 EUR'm
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

9.3 Other

The Group has rights and obligations in terms of shareholder or purchase and sale agreements relating to its present or former investments.

10. 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.

Auditor's opinion

These summary consolidated financial statements for the year ended 31 March 2017 have been audited by Deloitte Audit Limited who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the annual consolidated financial statements from which these summary consolidated financial statements were derived.

The auditor's report does not necessarily report on all of the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of that report, together with accompanying financial information from the Company's registered office.

A copy of the auditor's report on the summary consolidated financial statement and of the auditor's report on the annual consolidated financial statements are available for inspection at the Company's registered office, together with the financial statements identified in the respective auditor's reports.

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.

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:

	Valuation multiple used	Discount/(premium) to: 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 LFL clubs.
- 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%. Like-for like (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).
- 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).

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.

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 revese the Cash Divind (net of any applicable dividend taxes) is non-renounceabe 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.

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 , this new Iceland Store concept 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 signicant value to be driven through the existing portfolio, which is where the key focus will be for FY2018.

For and on behalf of the Board

PJ Moleketi
Non-Executive Chairman
13 June 2017

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
RAND MERCHANT BANK (A division of FirstRand Bank Limited)